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FARM RESULTS CONFIRM EFFICACY OF ECONOMIC STEPS

Favorable Results

Bratislava EKONOMIKA POLNOHOSPODARSTVA in Czech No 7, 1983 pp 289-291

[Article by Eng Oldrich Zavodny, CSc, Federal Ministry of Agriculture and Food: "Economic Results in Agriculture in 1982 Confirm Effectiveness of Approved Measures in Economic Tools"]

[Text] The year 1982 was the first year of application of the improved system of planned management of agriculture, the first year in which the measures implemented in economic tools were to favorably affect the long-term trend of deteriorating khozraschet of agriculture in general as well as its economic organizations. The quantification of changes in economic tools since 1982, therefore, anticipates subsidies to profits in agriculture from social funds.

Within the agricultural resources resulting from the second stage of one-time revision of wholesale prices, discontinuation of price subsidies for fodder compounds and the increase in the sale prices of crude oil, light heating oils and lubricating oils, and in the funds redistributed from the state budget, among other things, the relations of purchase prices of agricultural products were to be put on a more realistic basis and those branches of agricultural production were to be more significantly promoted in whose further development the society is primarily interested.

At the same time, the economic measures were to stimulate agricultural organizations to increase production, intensity of agricultural production and quality of agricultural products. Moreover, they were to achieve better khozraschet particularly on the state farms and alleviate the interarea and interenterprise income differentiation in both agricultural organizations pay higher prices of inputs into agriculture. These and other measures proceeded from the premise that crop and animal production will further increase above the 1980 level on which the entire quantification of changes in economic tools was predominantly based.

The subject of this article is not the evaluation of to what extent individual measures were actually implemented in 1982 or how effective they were. Such an evaluation is part of the more comprehensive material on the appraisal of effectiveness of systems measures of the improved system of planned management

of agriculture achieved in 1982 in order to get some idea of the role played by the announced measures in economic tools and whether and how one of the principal goals in the economic area, that is the increase in profitability of agriculture has been carried out.

Fulfillment of Financial Plan in 1982

It need not be particularly emphasized that economic results primarily reflect material fulfillment of the plan. The 1982 plan of gross agricultural production in the CSSR was fulfilled 100 percent, of crop production 95.7 percent and of animal production 103.6 percent. In comparison with 1980 with which we will also compare below the financial indicators, the economics between crop and animal production underwent a significant change, particularly because the 1982 plan provided for an approximately 10 percent reduction of production and purchase of slaughter animals. The 1982/1980 index was 99.8 for gross agricultural production, 103.8 for crop production and 96.8 for animal production. In the evaluation of effectiveness of economic tools in 1982 this fact is of considerable importance, thus we will return to it below.

Compliance with the indicators of the financial plan was more favorable in 1982. The outputs of organizations engaged in agricultural primary production, including extra incomes, amounted to Kcs 122.7 billion and represented a 103.3 percent plan fulfillment. The cost amounted to Kcs 112.9 billion the plan being fulfilled 102.2 percent and profit amounted to Kcs 9.8 billion which represented a 118 percent fulfillment of the plan. As Table 1 shows the profit plan was fulfilled in both republics and in JZD [unified agricultural cooperatives] and state farms.

Table 1. Fulfillment of profit plan in 1982

	Agriculture total (million Kcs)	JZD	Including State farms
CSSR	9,790	7,436	1,053
% of plan fulfillment	118	117.2	117.2
CSR	6,998	5,084	875
% of plan fulfillment	120.3	117.3	118.9
SSR	2,792	2,352	178
% of plan fulfillment	112.7	117.1	62.2

The CSSR 1982 plan in the basic value indicators was surpassed by the organizations in both sectors. The smaller excess of total cost in relation to the outputs was reflected in the increased profit in both agricultural sectors. Though obviously not permanent, a slower increase in cost in relation to output was affected by the extraordinarily favorable and less laborious conditions during the harvest, particularly of root crops.

An equal surplus in the planned profit for JZD and state farms in the entire CSSR conceals the diametrically different fulfillment by the state farms in two republics--a big overfulfillment in the CSR and a significant nonfulfillment in the SSR. The nonfulfillment of planned profit in the SSR was undoubtedly caused by the relatively bigger loss in crop production because of unfavorable weather conditions in 1982, but also by the smaller grain production in 1981 for animal production in 1982. The state farms in the SSR did not fulfill the planned outputs and total costs were not exceeded.

The fulfillment of indicators of the financial plan, however, also varied in individual krajs and districts within the national republics. In contrast to the big excess over the planned profit, for example in the North Bohemia, East Bohemia and North Moravia krajs, the profit achieved in the krajs most affected by the drought (Central Bohemia, West Bohemia, South Bohemia, East Slovakia) is less favorable in comparison with the plan. The profit in Central Bohemia Kraj fell short of the goal.

On the basis of the fulfillment of planned material tasks and financial results achieved in 1982, a partial conclusion can be drawn: the measures in the economic tools in effect since 1982 were favorably reflected in the fulfillment of financial plans in agriculture by those organizations, districts and krajs, where the planned material tasks in production and production for market were met and surpassed. This means that by their economic consequences these measures motivate agricultural organizations to fulfill and surpass material plan targets and in this sense they can be regarded as incentives for further intensification of agricultural production.

Changes in Incomes and Profitability

The long-term development of profit in agriculture definitely has a declining tendency. In comparison with the annual average of Kcs 7.9 billion during the Fifth 5-Year Plan it declined to Kcs 6.2 billion in the Sixth 5-Year Plan. It amounted to approximately Kcs 5.3 billion in 1981. Associate and supplementary production significantly contributes to profit. For example, associate production in JZD increased the annual profit by approximately Kcs 2 billion in recent years.

To alleviate the deteriorating income situation, the revision of economic tools provided for increasing CSSR agriculture resources by Kcs 2.9 billion in subsidy from the state budget--approximately Kcs 1.9 billion for the CSR and approximately Kcs 1 billion for the SSR. In comparison with a Kcs 8 billion profit achieved by the organizations engaged in agricultural primary production in 1980, the profit was expected to increase under the new conditions to Kcs 10.9 billion in 1982. A comparison with the actual profit in 1982 by sectors reveals that this objective was not fully achieved (Table 2).

Table 2. Augmentation of resources of CSSR agriculture and profit in 1982
(million Kcs)

Indicator	CSSR Agriculture	JZD	Including State farms
1980 profit total	8,022	6,454	303
Anticipated subsidies from the state budget	2,900	1,490	1,162
Anticipated profit under 1982 economic conditions	10,922	7,944	1,465
Actual profit 1982	9,790	7,436	1,053
Direct allocation to special compensations fund and FKSP [Cultural and Social Services Fund] from the premiums for increased output	398	293	65
Lower profit in 1982 than antici- pated on the basis of revision of economic tools	734	215	347

From the fact that the anticipated profit increase was not achieved, the conclusion cannot be drawn that the economic tools are not as effective as expected. The attainment of a bigger profit was objectively thwarted by some material changes in the 1982 plan which the approved revision of economic tools in agriculture had not anticipated. For example, when the economic tools were being revised a dynamic increase in animal production was anticipated. Instead, because of the smaller grain crop in 1981, the 1982 plan provided for an almost 10 percent reduction in the purchase of animals for slaughter in comparison with the actual purchases in 1981. Although in accordance with the regulatory measures at the end of 1981 this reduction was to be achieved primarily by the discontinuation of ineffective pig breeding, it was necessarily reflected in lower profit in animal production.

Another unfavorable factor in the production of profit was the lowering of the limit for crude oil in 1982 and the resulting restriction of transportation service for the outsiders. The lower profit was also caused by the nonfulfillment of production tasks in some agricultural organizations and by some additional factors. On the other hand, we must not overlook the effect of some favorable factors, such as an abundant crop and purchase of sugar beet, fruit and other agricultural products.

Without quantifying these contradictory effects on the amount of profit, the fact remains that the profit last year, in comparison with 1980 with relatively good weather, was 22 percent, and including the direct allotments from the premiums for increased output to the special compensations fund and FKSP, 26 percent

bigger and, in comparison with recent years, the biggest ever since 1974. In the general resources of agriculture, it restored the balance between resources and needs.

In the revision of economic tools since 1982, the relatively biggest increase was anticipated in the state farms' resources. Although they accounted for only 17.8 percent of total outputs, they received more than 33 percent from the overall redistribution of funds from the state budget. With reference to the quantification of revisions of economic tools, on the state farms there were also some changes in the material plan tasks which resulted in the lower profit. The state farms were obviously affected more than JZD, by unfavorable weather in 1982. Even though the profit anticipated by the quantification for these as well as other reasons was not attained, the actual profit considerably strengthened the khozraschet position of these organizations. This is clearly obvious, for example from a comparison with the Sixth 5-Year Plan, when the state farms reported an average annual loss of Kcs 345 million.

Behind the generally improved income situation of agriculture or JZD or State farms it is necessary to see the still marked income differentiation between the areas and enterprises. Different weather conditions in individual territorial areas in 1982 further intensified this differentiation in many respects. Nevertheless, the improved income situation is reflected in the fact that in comparison with previous years the excess in the distribution of the economic result significantly declined. It amounted to only Kcs 442 million, of which within the CSSR JZD account for Kcs 369 million and state farms for Kcs 73 million. When compared with the annual average of Kcs 455 million for the state farms, for example during the Sixth 5-Year Plan, this represents a substantial reduction.

Profitability (measures by profit in relation to cost) amounted to 8.67 percent in CSSR agriculture, to 9.48 percent in the CSR and 7.15 percent in the SSR in 1982. More marked is the difference in profitability of JZD--9.77 percent as compared with the state farms--5.03 percent for the CSSR.

From the above, the following partial conclusion can be drawn: although not completely, yet to a decisive degree, the objective of revision of economic tools designed to improve the income situation in agriculture was achieved. At the same time, it would be unrealistic to expect that on the basis of 1 year, though with generally favorable results, that the income situation in agriculture which has continued to deteriorate over a long period would fundamentally change. This is eloquently proved by indebtedness which further increased approximately Kcs 1.2 billion even during 1982 and amounted to Kcs 37.2 billion including approximately Kcs 13 billion in investment credits by the end of the year. There is a debt for Kcs 5,434 per hectare of agricultural land, whose significance lies primarily in its considerable differentiation between enterprises.

Receipts from Agricultural Activities Increased

The financing of increased prices of inputs into agriculture since 1982 was in the revision of economic tools largely projected into the purchase prices of agricultural products. For some products with relatively higher profit margins, this increase was either partially or entirely absorbed. On the other hand, to

economically promote the development of some branches of agricultural production in worse natural conditions, the receipts from sales of milk, products of cattle breeding, sheep and potatoes were allowed to be included in a higher amount beginning 1982 for claiming the differential premiums to as much as 140 percent.

In comparison with 1980, the receipts from agricultural activity and differential premiums for 1982 demonstrate that the intentions in the price area were realized. The marketable agricultural production for the state fund was Kcs 58.7 billion at stable 1980 prices (the 1982/1980 index was 99.8). The receipts from agricultural activity amounted to Kcs 85.6 billion (index 111.8). The subsidies on sales revenue amounted to Kcs 13.1 billion (index 137.6) including the differential premiums Kcs 10.3 billion and other premiums and subsidies Kcs 2.8 billion (indexes 155.2 and 97.8, respectively).

The trend in total receipts (including premiums) was approximately the same in both national republics and JZD and state farms. The receipts in 1982 reached Kcs 98.7 billion in the CSSR (the 1982/1980 index was 114.7), Kcs 66.3 billion in the CSR (index 113.7) and Kcs 32.4 billion in the SSR (index 116.8). If we compare the receipts by sectors, then the receipts were Kcs 65.9 billion in JZD (index 113.9) and Kcs 19 billion on state farms (index 114.4).

Due to the higher purchase prices, both the receipts and the amount of differential premiums increased. The amount of other subsidies and premiums remained in 1982 approximately on the same level as in the preceding years. Their purpose, however, substantially changed. Because of their limited effectiveness, some premiums were abolished beginning 1982. New were the premiums for increased output which are to stimulate social interest in the increase in all agricultural production, higher intensity of agricultural production. The agricultural organizations received approximately Kcs 1.3 billion in the form of these premiums in 1982.

Some agricultural organizations could not claim these premiums because they failed to increase marketable agricultural production (in relation to the average of the 3 preceding years) or they failed even to earn the extra 1 percent premium for fulfilling the marketable production of slaughter animals (excluding poultry) which was exceptionally specified in 1982 for overcoming the animal production decline incorporated in the plan. The premiums for increased output were reflected favorably in most agricultural organizations and contributed to the enterprise funds increase.

The economic results achieved by agriculture in 1982 indicated a turnabout for the better. One year alone, however, cannot be a sufficiently objective criterion of whether the measures in the improved system of planned management in agriculture, and particularly the measures in economic tools, proved really effective. Most of the agricultural organizations regard the measures effected since 1982 as generally positive. Those organizations which fulfilled or surpassed the production targets definitely felt the effect of changes in the economic tools. It is desirable that the effect of economic tools be permanently reflected in the increased intensity of agricultural production.

State Farm Developments

Bratislava EKONOMIKA POĽNOHOSPODARSTVA in Czech No 7, 1983 pp 312-314

[Article by Eng Jaroslava Glaserova, Federal Office of Statistics: "Labor Force, Its Occupational Structure and Remuneration on State Farms"]

[Text] There were on the average 160,706 workers on state farms in the CSSR in 1982, 81.1 percent of whom were blue-collar workers, 6.2 percent production and attendant workers (class 5B of uniform job classification (JKZ)) and 13.7 percent technical and economic workers (class 6-9 of JKZ). The share of technical and economic workers has steadily increased in recent years (they accounted for 10.8 percent in 1970), while the share of blue-collar workers declined (86.8 percent in 1970).

This development has been made possible primarily by progress in research and development [R&D] in agriculture, gradual replacement of manual labor in agricultural production by machine work, continuing production concentration and specialization, and to some extent, also by the formation of bigger units and sectorial enterprises of state farms.

Of the total number of workers on state farms in the CSSR in 1982, 85.1 percent were permanent employees and 14.9 percent seasonal, occasional and brigade workers.

Changes in Job Structure

Together with the changes in the structure of labor force by individual categories, the job structure on the state farms has also been undergoing a change. While 44.1 percent of the total permanent labor force was engaged in crop production [RV] in 1970, this ratio declined to 30.1 percent in 1980 and to only 28.8 percent in 1982. Of the total number of permanent workers 34.7 percent were engaged in animal production [ZV] in 1970. Their share increased to 37.9 percent in the course of 10 years, but somewhat declined in the last 2 years (37.1 percent).

The biggest changes occurred in the number of persons engaged in nonagricultural activities: blue-collar workers in the state farm workshops, in construction gangs and groups, truck drivers and their helpers and so on accounted for 21.2 percent of permanent blue-collar workers on state farms in 1970, but they increased to 32 percent as early as 1980 and even to 34.1 percent in 1982. However, even the workers in these categories largely help increase agricultural production on state farms.

It is clear from the changes in the structure by individual jobs shown in Table 1 that the decline in the number of blue-collar workers in crop production occurred mainly among "other blue-collar workers in RV" and drivers, while the representation of tractor and combine operators--due to the changes in technologies of agricultural production--relatively increased and stabilized approximately on the same level only in recent years. Due to the progressing mechanization of agricultural production, particularly the number of blue-collar workers in the state farm workshops and of truck drivers and helpers increased in nonagricultural activities.

Table 1. Changes in job structure of blue-collar workers on state farms

Tabulka 1
Vývoj profesní struktury dělníků ve státních statcích

A Profese	B Průměrný evidenční počet v r. 1982	C Složení dělníků v roce (%)			D rozdíl (+, -) v bodech v r. 1982 proti roku	
		1970	1980	1982	1970	1980
1 Traktoristé a kombajnéři	17 738	15,0	18,1	18,0	+1,0	-0,1
2 Kočči	1 092	4,4	1,1	1,0	-3,4	-0,1
3 Ostatní dělníci RV	13 049	24,7	12,9	11,8	-12,9	-1,1
4 Ošetřovatelé:						
5 dojníc	22 481	17,7	20,1	20,3	+2,8	+0,2
6 ostatního skotu	9 538	9,1	8,8	8,8	-0,3	-0,2
7 prasnic	2 028	1,5	2,0	1,8	+0,3	-0,2
8 ostatních prasat	1 589	1,8	1,8	1,4	-0,2	-0,3
9 ovcí	802	0,6	0,5	0,5	-0,1	0,0
10 drůbeže	1 912	2,2	1,8	1,7	-0,3	-0,1
11 Ostatní dělníci ZV	3 129	2,0	3,1	2,8	+0,8	-0,3
12 Dělníci statk. dílen	13 845	7,8	11,4	12,5	+4,7	+1,1
13 Dělníci staveb čet	7 911	5,1	6,7	7,1	+2,0	+0,4
14 Řidiči nákl. aut a závozníci	7 805		8,8	8,9	+8,2	+0,3
15 Ostatní dělníci	8 394	8,3	7,3	7,8	+0,3	+0,3
16 Dělníci stáli celkem	110 871	100,0	100,0	100,0	x	x

Key:

- | | |
|--|--|
| A - Occupation | 5. other cattle |
| B - Average number in 1982 | 7. sows |
| C - Structure of labor force during the year (%) | 8. other pigs |
| D - Difference (+, -) in points in 1982 in relation to | 9. sheep |
| | 10. poultry |
| 1. Tractor and combine operators | 11. Other blue-collar workers ZV |
| 2. Wagon drivers | 12. Blue-collar workers in workshops |
| 3. Other blue-collar workers RV | 13. Members of construction gangs |
| 4. Attendants to: | 14. Truck drivers and helpers |
| 5. milk cows | 15. Other blue-collar workers |
| | 16. Permanent blue-collar workers, total |

Average Wages

The average monthly wage of workers on state farms amounted to Kcs 2,653 in 1982, which was 2.6 percent more than in 1981 and approximately 50 percent more than in 1970. In comparison with the average in the socialist sector of the national economy (excluding JZD [unified agricultural cooperatives]), where the average wage in 1982 increased 2.3 percent in comparison with 1981 and 41.4 percent since 1970, the trend in the wage increase on state farms was thus somewhat more rapid--in accordance with the general conception of social policy of equalization of remuneration in agriculture with the workers in other sectors of the national economy. Nevertheless, the average monthly wage on

state farms was Kcs 85 below the average wage in the socialist sector of the national economy (excluding JZD) in 1982. A comparable average monthly wage in JZD (that is, the gross wage) has exceeded the average wage of workers on state farms since 1975. It was almost equal to the average wage in the socialist sector of the national economy even in 1978 and has exceeded it since 1980. It was Kcs 2,779 in JZD in 1982, that is, Kcs 41 more than the average wage in the socialist sector of the national economy and Kcs 126 more than on the state farms. The comparable average monthly wage in JZD increased 2.7 percent since 1981.

Of these Kcs 2,653 on state farms, the average monthly base wage was Kcs 2,282. It increased 1 percent since 1981, but the share of the base wage in the total wage of state farm workers declined from 87.3 percent in 1981 to 86 percent in 1982.

One of the factors in the overall increase in average wages on the state farms in recent years was also the changing job structure of the labor force. There was an increase in the share of workers paid relatively higher wages, that is, technical and economic workers and among the blue-collar jobs tractor and combine operators, attendants to milk cows and blue-collar workers in the state farm workshops, construction gangs, truck drivers and their helpers. On the other hand, there was a decline in the number of workers receiving relatively lower wages, that is mainly "other blue-collar RV workers" whose average monthly wage on state farms amounts to 70 percent of the average wage of permanent blue-collar workers. Table 2 shows the average monthly wages of workers by jobs and categories.

Table 2. Changes in average monthly wages of state workers in CSSR by jobs and categories

Tabulka 2

Vývoj průměrných měsíčních mezd pracovníků státních statků v ČSSR podle profesí a kategorií

A	Profese, kategorie pracovníků	B Průměrná měsíční mzda 1 pracovníka (Kčs)			
		1980	1982	index	
				1982/ 1980	1982/ 1981
1	Traktoristé a kombajnéři	3064	3174	145,7	102,4
2	Koči	2509	2685	141,7	106,5
3	Ostatní dělníci RV	1815	1918	148,6	102,3
4	Ošetřovatelé:				
5	dojnic	2871	2985	148,2	102,6
6	ostatního skotu	2886	2636	147,4	101,3
7	prasnic	2820	2656	130,3	99,4
8	ostatních prasat	2883	2657	134,4	99,1
9	ovcí	3191	3233	162,6	99,3
10	drůbeže	2180	2228	142,3	102,8
11	Ostatní dělníci ZV	2101	2189	145,0	101,6
12	Dělníci statk. dílen	2734	2860	148,9	102,6
13	Dělníci staveb. čet	2624	2718	145,6	102,6
14	Ridiči nákl. aut a závozníci	3085	3237	104,1	
15	Ostatní dělníci	3074	2987	102,2	
16	Dělníci stálí celkem	2619	2726	153,7	102,5
17	Dělníci sezónní a brigádníci	1761	1892	144,5	103,7
18	Dělníci celkem	2495	2602	152,3	102,4
19	Provozní a obsluhující prac. (tř. 5 B JKZ)	1887	1950	130,8	102,4
20	Techn.-hosp. pracovníci (tř. 6 až 9 JKZ)	2978	3178	135,9	103,2
21	Pracovníci úhrnem	2532	2653	149,9	102,6

Key:

- | | |
|---|---|
| A - Job, category of workers | 12. Blue-collar workers in workshops |
| B - Average monthly wage per worker (Kcs) | 13. Members of construction gangs |
| 1. Tractor and combine operators | 14. Truck drivers and helpers |
| 2. Wagon drivers | 15. Other blue-collar workers |
| 3. Other blue-collar RV workers | 16. Permanent blue-collar workers, total |
| 4. Attendants to: | 17. Seasonal and brigade workers |
| 5. milk cows | 18. Blue-collar workers, total |
| 6. other cattle | 19. Production and attendant workers (class 5B of JKZ) |
| 7. sows | 20. Technical and economic workers [THP] (class 6-9 of JKZ) |
| 8. other pigs | 21. Workers, total |
| 9. sheep | |
| 10. poultry | |
| 11. Other blue-collar ZV workers | |

Effect of Number of Hours Worked on Wages

These differences in the average monthly wages between individual jobs are to some extent affected also by the number of hours worked by these workers (Table 3).

Table 3. Number of hours worked and wage for one hour worked by blue-collar workers on state farms in CSSR by jobs

Tabulka 3

Odpracovaná doba a mzda za 1 odpracovanou hodinu u dělníků státních statků v CSSR podle profesí

A	Profese	B Odpracováno na 1 dělníka [h]		C Průměrná mzda za 1 odpracovanou hodinu [Kčs]	
		1980	1982	1980	1982
1	Traktoristé a kombajnéři	2457	2415	14,97	15,77
2	Kočí	2366	2466	12,72	13,07
3	Ostatní dělníci RV	1877	1934	11,60	11,90
4	Ošetřovatelé:				
5	dojnic	2248	2220	15,33	16,03
6	ostatního skotu	2283	2266	13,49	13,96
7	prasnic	2291	2227	14,78	15,39
8	ostatních prasat	2343	2242	13,64	14,22
9	ovcí	2644	2640	14,48	14,70
10	drůbeže	2146	2098	12,08	12,74
11	Ostatní dělníci ZV	2180	2100	11,57	12,51
12	Dělníci statk. dílen	2108	2078	15,56	16,51
13	Dělníci staveb. čet	1982	1976	15,89	16,51
14	Ridiči nákl. aut a závozníci	2412	2374	15,40	16,37
15	Ostatní dělníci	1997	1982	12,47	12,77
16	Dělníci stálí celkem	2197	2177	14,31	15,03

Key:

- | | |
|--|--|
| A - Job | 7. sows |
| B - Worked per worker (hours) | 8. other pigs |
| C - Average wage per hour worked (Kcs) | 9. sheep |
| | 10. poultry |
| 1. Tractor and combine operators | 11. Other blue-collar ZV workers |
| 2. Wagon drivers | 12. Blue-collar workers in workshops |
| 3. Other blue-collar RV workers | 13. Members of construction gangs |
| 4. Attendants to: | 14. Truck drivers and helpers |
| 5. milk cows | 15. Other blue-collar workers |
| 6. other cattle | 16. Permanent blue-collar workers, total |

Among all blue-collar jobs the highest average monthly wage on state farms in 1982 was paid to truck drivers and their helpers (Kcs 3,237), attendants to sheep (Kcs 3,233) and tractor and combine operators (Kcs 3,174). The wage of attendants to sheep was considerably affected by the large number of hours worked (2,640 hours per attendant in 1982, that is, worked per worker). Although the average monthly wage of sheep attendants exceeded by Kcs 507 or 18.6 percent the average wage of permanent state farm workers in 1982, the average wage of state farm sheep attendants per hour worked in 1982 was Kcs 14.70 or Kcs 0.33 (2.2 percent) below the average hourly wage of permanent workers in general.

The highest wage per hour worked on the state farms in 1982 was paid to the blue-collar workers in farm workshops, construction gangs and groups (Kcs 16.51), truck drivers and their helpers (Kcs 16.37), attendants to milk cows (Kcs 16.03),

tractor and combine operators (Kcs 15.77) and attendants to sows (Kcs 15.39). The lowest wage per hour worked was paid to "other blue-collar workers in KV" (Kcs 11.90) which is mainly due to the fact that they perform auxiliary work, less skilled and therefore not well paid. Moreover, among all occupations these workers work the fewest hours during the year (1,934 hours per person in 1982) to which corresponds also the lowest average monthly wage (Kcs 1,918 in 1982).

Strengthening the Incentive Wage Component

In the measures adopted to improve the system of planned management of agriculture in the area of replacement and stabilization of labor force and its remuneration in 1982 and the following years of the Seventh 5-Year Plan there was an emphasis--in order to increase efficiency, quality and economy of labor--on the more consistent enforcement of the principles of remuneration according to merit and on the strengthening of the role of the incentive wage component.

The share of premiums and bonuses including the shares in the economic results on the average increased for the state farm workers 1.4 points or to 11.9 percent of the total amount of wages payable during the 5 years of the Sixth 5-Year Plan, and further increased 2.1 points or to 14 percent during the first 2 years of the Seventh 5-Year Plan. THP receive a somewhat bigger share of the incentive wage component (17.6 percent of total wages payable) than blue-collar workers (13.3 percent).

From the standpoint of occupations (Table 4) the incentive wage components play the smallest role in the total wages of blue-collar ZV workers (with the exception of milk cows and poultry attendants) and of wagon drivers in crop production. On the other hand, the blue-collar workers in state farm workshops, construction gangs and groups, truck drivers and their helpers claimed the highest share of premiums and bonuses including the shares in economic results in 1982.

Generally speaking, the premiums and bonuses in particular significantly increased for state farm workers in 1982 (from 9.4 percent in 1981 to 10.5 percent of total wages payable in 1982). This reflected the improvement of economic results on state farms. According to the preliminary data the output per hectare of agricultural land was approximately 15 percent higher in 1982 than in 1981.

The development of the incentive wage component in 1982 was to a certain extent affected also by the new allocations to the special compensations fund amounting to as much as 30 percent of the total amount of premiums for increased output which were paid to the agricultural enterprises for the increase in marketable agricultural production as provided by the measure adopted in the system of economic tools in agriculture for 1982 and subsequent years of the Seventh 5-Year Plan.

Table 4. Changes in wage structure on state farms in CSSR in 1982

Vývoj struktury mezd ve státních statcích v ČSSR v roce 1982 Tabulka 4

A	Profese, kategorie pracovníků	B Z celkového objemu mzdových prostředků připadalo na [%]		
		C základní mzdy včetně příplatků a náhrad	D prémie a odměny	E podíly na hospodářských výsledcích
1	Traktoristé a kombajneři	87,1	9,3	3,4
2	Koči	91,5	4,2	3,3
3	Ostatní dělníci rostl. výroby	88,3	9,1	3,6
4	Ošetřovatelé:			
5	dojnic	87,9	9,0	3,1
6	ostatního skotu	90,0	6,7	3,3
7	prasek	90,2	6,4	3,4
8	ostatních prasat	91,1	5,4	3,5
9	ovcí	90,2	8,0	1,8
10	drůbeže	88,0	8,3	3,7
11	Ostatní dělníci živoč. výroby	90,5	7,0	2,5
12	Dělníci statk. dílen	80,7	16,0	3,3
13	Dělníci staveb. čet a skupin	83,1	14,1	2,8
14	Ridiči nákl. aut a závozníci	83,4	13,5	3,1
15	Ostatní dělníci	84,5	12,1	3,4
16	Dělníci stálí celkem	86,3	10,5	3,2
17	Dělníci sezónní a brigádníci	89,8	9,1	1,1
18	Dělníci celkem	86,7	10,3	3,0
19	Provozní a obsluhující pracovníci (tř. 5 B JKZ)	86,7	10,1	3,2
20	Techn.-hosp. pracovníci (tř. 6 až 9 JKZ)	82,4	11,4	6,2
21	Pracovníci úhrn:	86,0	10,5	3,5

Key:

- A - Job, category of workers
 B - Of the total amount of wages payable the share (%) was
 C - of base wages including supplements and compensation
 D - of premiums and bonuses
 E - of shares in economic results

1. Tractor and combine operators
 2. Wagon drivers
 3. Other blue-collar RV workers
 4. Attendants to:
 5. milk cows
 6. other cattle
 7. sows
 8. other pigs

9. sheep
 10. poultry
 11. Other blue-collar ZV workers
 12. Blue-collar workers in workshops
 13. Members of construction gangs
 14. Truck drivers and helpers
 15. Other blue-collar workers
 16. Permanent blue-collar workers, total
 17. Seasonal and brigade workers
 18. Blue-collar workers, total
 19. Production and attendant workers (class 5B of JKZ)
 20. THP (class 6-9 of JKZ)
 21. Workers, total

The increase in the incentive wage component was also partly affected by the measure granting higher prices, premiums and subsidies to certain agricultural products (adopted in order to further promote their concentrated and specialized production) according to which it was possible, beginning 1982--within general rules on regulation of wages payable--to pay in the form of premiums a certain amount of higher prices and premiums gained by these price tool to the workers who contributed to the increased production and quality of these products.

Although the increased share of the incentive component was reflected in the wages of state workers even in 1982, it will be necessary to achieve in the future--depending upon the further improvement of economic results--an even more progressive trend so that the incentive wage component will amount to the desirable 20 percent of total wages payable by 1985. The premiums will have to be more consistently linked to the fulfillment of qualitative indicators in agricultural production, to the reduction of morality among animals, to the rational management of fodder supplies and to the reduction of materials, motor fuels and energy consumption. The appropriate amount of the incentive wage component will also make possible the desirable differentiation on merit of individual state farm workers.

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CSO: 2400/412

REPORT ON STATUS OF ECONOMY MIDWAY THROUGH FIVE YEAR PLAN

West Berlin DIW-WOCHENBERICHT in German Vol 50, No 32, 11 Aug 83 pp 395-402

[Report compiled by Doris Cornelsen, German Institute for Economic Research: "Growth Stabilization through Changes in the Economic Mechanism: The Status of the GDR Economy at Midyear 1983"]

[Text] Midway through the current 1981-1985 five-year plan, the economic problems of the GDR economy are basically unchanged: Energy and material shortages dominate economic activities, export increases to reduce the debt to the West have absolute priority. According to the official report on the economic results of the first half of the year, it was nevertheless possible to prevent a further slackening in economic growth. The specific material consumption was reduced considerably and the output was increased. Tighter plan requirements and numerous changes in the performance evaluation and control sector contributed to this result. The generally positive balance however is impaired by the fact that private consumption did not increase.

New Regulations for Management and Planning

An improvement in the relationship between expenditure and result through "consistent intensification" has been demanded increasingly in the GDR since the start of the 1980's. This applies quite generally to material utilization but especially to scientific-technical progress measures, investments, and manpower utilization. The emphasis here furthermore is on increasing exports, especially to the Western countries. Numerous new regulations have been introduced to emphasize these demands; they partially altered the economic mechanism. In February 1983, another Politburo resolution was adopted on "Management, Planning, and Economic Accounting"¹ whose development in legal terms presumably has not yet been completed.

The flood of new regulations was rather striking already early in 1982. At that time it was concentrated on the expansion of control mechanisms for research and development, investments, and enterprise accounting². This policy has been continued in the meantime³. The new regulations above all concern provisions on material consumption and stockpile management as well as accounting by

enterprises. In addition to increased control, one can also recognize here the employment of economic control instruments, especially for the better utilization of existing plants and to increase exports.

The most striking new regulation is the "Decree on the Contribution for Social Assets"⁴. This contribution is a new tax to be paid to the state in the manner of a wage sum tax which is to be collected starting in 1984. It is especially the enterprises and combines of industry and the construction industry which are subject to the payment of this tax; the assessment criterion is the wage fund and the tax rate is 70 percent. The contribution is a part of the costs and the enterprise prices but it is not supposed to influence the consumer prices. An "earnings allowance" is to be paid to the enterprises from the government budget by way of a transition regulation. The purpose of the new tax is to upgrade the labor factor and to promote its efficient utilization. This extremely high tax rate will probably definitely alter the cost structure of the enterprises, the enterprise prices, and the structure of the government budget.

Another essential new regulation is the expansion of the "main indexes of performance evaluation." In particular, the net profit is once again to be assigned great significance in the context of enterprise indexes. Back in March 1980, net output as well as the "basic material costs per M100 of commodity production," were introduced as new main indexes, along with industrial commodity production (gross output). This catalogue was revised for the purpose of drafting the 1984 plan. Priority for industrial goods production ahead of other enterprise plan indexes was discarded because of all of its disadvantages (for example, material waste). Main indexes now are net output, net profit, products, and services for the population, and exports⁵. They are to be used in connection with other important indexes (labor productivity based on net output, costs per M100 commodity output, material costs per M100 commodity output, and production of products important to the national economy). "Net production" illustrates the enterprise's own performance (output minus material consumption and depreciation)⁶; profit moreover is considered as "continuous expression of effectiveness of the entire reproduction process"⁷ because it is not only an indicator of the improvement in the ratio between expenditure (including the expenditure of labor force) and the result as a whole but also because it is an indicator for production in keeping with requirements: "A high net output alone is no good either--anybody who cannot properly sell his product is not making a profit... It is not the inventory but rather the market that leads to profit"⁸.

If profits indeed are to attain a "function as a lever," then enterprise decision-making authority as to the utilization of profits would also have to be broadened. But there are no indications for that at this time. The discussion in the GDR about the new indexes has just begun; on top of that we have the fact that the net profit actually is supposed to apply as one of the main indexes for performance evaluation only starting in 1984. Obviously however it plays a considerable role even now: In the plan fulfillment report for the first half of 1983, profit development in industry is already documented with statistics and it is observed that the planned result for the net profit was exceeded in industry and in the construction industry.

Principal Results for the First Half of 1983

The changes in the economic mechanism, which took effect in 1982 and during this year, obviously have already favorably influenced the production results. In spite of the shortage of resources, economic growth did not slack off further.

The semiannual report from the State Central Statistics Administration on the implementation of the national economic plan⁹ reveals the following picture (changes compared to the same period of time during the preceding year give in percent):

	Actual	
	Annual Plan	1st half
National income produced	4.2	4
Industrial commodity production (national economy)	3.8	3.8
Retail trade volume	3.0	0
Foreign trade volume	13	.
Exports	.	15

According to this, the entire output rose roughly within the framework outlined for 1983. The retail trade volume on the other hand was not in keeping with the plan. One cannot rule out the possibility that the preliminary output increments were rounded up.

It is interesting to note the reporting on material savings:

Material consumption per unit of national income produced was cut by 3 percent during the first half;

For industry, the report even shows a decline in the specific consumption of energy sources, raw materials, and working materials, which are important to the national economy, by 8 percent;

The construction industry achieved an output increase of 3 percent with almost the same material consumption volume;

Primary energy consumption declined by 6 percent.

The considerable increase in the net output of the individual sectors was stressed parallel to that:

In industry (industry ministries) by 6.2 percent,

in the sector of the Ministry of the Construction Industry by 7.8 percent.

Now, considering the complicated regulations for the determination of the net output, as in the determination of the specific material consumption, there are of course certain blurred areas which have an effect especially in case of short-term reporting (the plan fulfillment report is published each time in the middle of July). In other words, the actual success figures possibly might not be quite so impressive as indicated in the preliminary report. Basically however the economic leadership obviously found ways of reducing the excessive material and energy consumption to a certain degree. While during the 1970's the entire material consumption of the GDR economy increased regularly in a pattern parallel to overall economic growth, the new methods did alter this trend.

Industrial Commodity Output¹

Increase Compared to Interval during Preceding Year in Percent

	2 Jahr		3 Januar-April		
	1981	1982	1981	1982	1983
4 Energie- und Brennstoffindustrie	4,0	3,1	3,4	4,1	3,1
5 Chemische Industrie	3,8	3,3	4,9	1,4	4,0
6 Metallurgie	7,3	3,3	6,5	1,1	3,4
7 Baumaterialienindustrie	1,2	-1,0	1,1	-1,4	0
8 Wasserwirtschaft	4,8	3,7	1,4	0,9	2,2
9 Maschinen- und Fahrzeugbau	6,6	4,4	7,5	3,4	1,0
10 Elektrotechnik, Elektronik, Gerätebau	10,1	7,1	12,0	6,3	7,0
11 Leichtindustrie	4,1	2,9	3,0	1,1	1,9
12 Textilindustrie	4,0	3,4	3,8	1,7	2,3
13 Lebensmittelindustrie	2,3	-0,4	4,8	-1,6	0,2
14 Gesamte Industrie	3,3	3,6	6,0	3,9	3,2

Key: (1) Computed from monthly index data; the real actual figures are given here, that is to say, with the reconversion of official data of origin, corrected as per working day; 2--Year; 3--January-April; 4--Energy and fuel industry; 5--Chemical industry; 6--Metallurgy; 7--Construction materials industry; 8--Water industry; 9--Machine-building and vehicle construction; 10--Electro-technology, electronics, instrument construction; 11--Light industry; 12--Textile industry; 13--Essential foods industry; 14--Industry, total. Source: Statistical indicators in short-term economic changes in ECE countries. Economic Commission for Europe, Geneva.

Industry

According to the plan fulfillment report, industry achieved an output increase of 3.8 percent during the first half (industry ministries alone: 4.5 percent). On the whole, industry thus--in spite of the shortage of resources--did not

have to accept any further growth losses; instead, it approximately managed to retain the growth rate of the year before. The growth rates reported exactly correspond to the planning for the entire year 1983. In contrast to that, the plan fulfillment report notes a definite overfulfillment of government requirements. This is certainly again based on the customary plan revisions during the plan year.

For the individual industry branches, the report does not show the increase but rather the volume of the particular plan fulfillment--a useless figure so long as the plan estimate constituting the basis of this calculation is not reported. Monthly reporting with data on the individual industry branches¹⁰ is so far available only for the first 4 months. During that time, the increase totaled 3.2 percent and that was somewhat less than reported in the fulfillment report for the entire first half of the year (3.8 percent).

As the development of the production effort in the individual industry branches shows, the growth prerequisites vary greatly under current conditions. Basically, all sectors are supposed to attain their plan requirements without having to use any additional material and investments. Particularly important sectors however are still getting strong help. This applies to the energy and fuel industry, especially brown coal mining, because of its great importance in the procurement of domestic energy raw materials. This sector was not hit by import restrictions and is furthermore adequately supplied with new investments; it can thus show a continuing output increase which is roughly in keeping with the plan estimate. Among the industry branches which get priority assistance we must also include the electrotechnology-electronics-instrument construction sector of which improved growth opportunities are expected in the entire capital goods sector. This sector has for many years been the leader in industrial development and during the first 4 months of 1983 also registered an output increase of 7 percent. The plan for the enterprises in the area of the Ministry of Electrotechnology and Electronics of course had figured on an increase of 8.5 percent for the entire year 1983. While forcefully promoted microelectronics were able to show high growth rates, the "conventional" electrical industry (cables, electrical machine-building, lamps, office machines, household appliances) is impaired in terms of its growth by the material shortage. Good--and even above-plan--results were achieved by metallurgy and by the chemical industry where, at the beginning of the 1980's considerable new capacities sprang up for a higher level of product refinement.

Sectors without this kind of special help on the other hand definitely fell back in terms of their growth. This applies primarily to the light industry, the textile industry, and the essential foods industry. Interestingly enough, this also applies to machine-building and vehicle construction which, during the time interval considered, was able to achieve an increase of only 3 percent and thus continued to fall further short of the plan target (6 percent).

GDR Economic Growth Indicators
Increase Compared to Same Interval during Prior Year, in Percent

	1981		1982		1983	
	15	16	15	16	15	16
	I. Halbj.	Jahr	I. Halbj.	Jahr	I. Halbj.	Jahr
	17					
	Ist					
	Plan					
Produziertes Nationaleinkommen	18	5	4,8	3	2,5	6
Industrie	19					6,2
Warenproduktion	20					3,8
dar. Industrienministerien	21	11	3,5	11	4,2	6,5
Nettoproduktion	22					6,2
Nettoprodukt-Beitrag zum Nationaleinkommen	23	6	3,5	6	3,5	
Arbeitsproduktivität	24	21	4,6	21	3,6	6,0
Bauwirtschaft	25					
Bauproduktion der Volkswirtschaft	26	6,6	413,9	3,1	413,1	3,1
Fertiggestellte Wohnungen) in 1000	27	88,6	183,6	89,2	187,1	94,0
dar. Neubau 28) Wohnungen	29	60,6	123,7	38,9	122,6	59,8
Modernisierung 30)		28,0	59,6	50,3	64,6	34,2
Landwirtschaft	31					
Viehbestand ³⁾	32	61	1,5	61	2,8	612,0
Tierische Marktproduktion ⁸⁾	33	6,2	2,8	-4,9	-4,8	91
Verkehr Gütertransportmenge	34	-8,9	-0,9	-9,0	-7,6	-2,3
davon: Eisenbahn	35	1,5	1,2	1,3	2,3	3,2
Binnenschifffahrt	36	-	1,8	-	1,2	16,0
übrige Verkehrsträger	37	-	-3,0	-	-11,7	-5,6
Einzelhandel Umsatzgesamt ¹¹⁾	38	3,2	2,5	1,3	1,0	0
davon: Nahrungs- und Genussmittel	39	2,5	2,9	2,2	2,1	3,0
Industriewaren	40	3,8	2,1	0,6	-0,1	-
Außenhandel Umsatzgesamt ^{11) 12)}	41	12,0	10,7	-	9,2	13,0
davon: Einfuhr	42	-	6,6	-	6,3	-
Ausfuhr	43	-	13,6	10	16,1	13
Nettogeheinnahmen der Bevölkerung	44	3,3	3,1	3,3	2,7	3,0
Investitionen insgesamt ¹³⁾	45	3,6	2,7	-4,8	-6,6	91

[See key on following page]

1000 table on preceding page]

Key: (1) Computed from monthly index statistics; actual figures, that is to say, with reconversion of official statistics corrected as per working day; (2) Base: Commodity output; (3) Gross output per blue-collar worker and white-collar employee; (4) Computed from index data; (5) Based on CV [heavy livestock units], determined on the basis of the CV key of the GDR; (6) Computed from the livestock statistics given as of 30 April or 31 May for beef cattle, hogs, sheep, and laying hens; (7) Preliminary; (8) Sum of government yield of slaughter cattle, milk, eggs, and wool (only for annual figures) evaluated in GE (serial units) according to the GE key of the GDR; (9) Estimated; (10) Quantitative planning; (11) Current prices; (12) Including inner-German trade; (13) Excluding general repairs and foreign partnerships, constant prices of 1980; (14) In his speech explaining the 1983 government budget plan, the finance minister mentioned an investment volume of M53.1 billion (at current prices); figured at 1980 prices, the planned investments of this year would thus seem to be around M50 billion; the figure of M47 billion mentioned in the 1983 national economic plan on the other hand presumably does not contain those investments which can be carried out on the basis of applicable legal regulations in addition to the government requirements of the national economic plan; 15--1st half; 16--Year; 17--Actual figures; 18--National income produced; 19--Industry; 20--Commodity production; 21--Including industry ministries; 22--Net output; 23--Net output contribution to national income; 24--Labor productivity; 25--Construction industry; 26--Construction output of national economy; 27--Apartments completed; 28--Including new construction; 29--In terms of 1,000 apartments; 30--Modernization; 31--Agriculture; 32--Livestock (5); 33--Animal market production (8); 34--Transportation, freight transportation volume; 35--Including railroad; 36--Inland shipping; 37--Other carriers; 38--Retail trade, volume, total (11); 39--Including: Essential and nonessential foods; 40--Industrial commodities; 41--Foreign trade, volume, total (11, 12); 42--Including: Imports; 43--Exports; 44--Net money earnings of population; 45--Investments, total (13).

Sources: STATISTISCHES JAHRBUCH DER DDR 1982; STATISTISCHES TASCHENBUCH DER DDR 1983; Statistical indicators of short term economic changes in ECE countries, Geneva; plan fulfillment reports (latest: NEUES DEUTSCHLAND, 15-16 January 1983); reports on the implementation of the national economic plans during the first half (latest: NEUES DEUTSCHLAND, 16-17 July 1983); calculations and estimates by DIW [German Economic Research Institute].

Agriculture

Agriculture yields during the first half of 1983 obviously did not develop in a satisfactory manner; the government yield of animal products was not shown for the first time. This is also in line with the fact that data on the retail trade volume for essential and nonessential foods are missing. The development of agricultural production presumably also influenced the fact that retail trade as a whole stagnated. On the other hand, livestock market production seems to have gone up slightly during the first half of 1983 (by 1 percent). Of course, the livestock population was increased compared to the same period of time the year before (31 May). Stocks increased above all in the case of hogs (by almost 1 million); the stocks thus almost reached the 1981

level again. The cause of this was to be found in the improved breeding results and in lower animal losses.

The generally less positive development of the yield in livestock production is undoubtedly due to the rather tight fodder situation which, in turn, is the result of the unsatisfactory harvest the year before. To be sure, a record result was achieved for cereal crops in 1982; but in other crops (root crops, fodder crops) there were in part considerable decreases so that the gross soil output, that is to say, the entire vegetable output, turned out to be less in 1982 than in the year before.

The price reform¹¹ is being pictured as an important result of the agricultural policy discussion of recent times; it is to take effect at the beginning of 1984. The basic concern here is to give agriculture producer prices that will be in keeping with the costs: Additional yields per product unit are to replace the subsidies in the preliminary service sector for higher industry prices in connection with fuels, farm equipment, as well as construction materials and construction work. Realistic cost ratios are supposed to constitute an incentive above all for economical handling of preliminary services.

Because the farm price reform would not seem to have any effects on retail trade crisis, this measure signifies, as far as the government budget is concerned, only a shift of the subsidies from the producer price level to the consumer price level. To the extent that details have so far become known on the farm price reform, it seems that the producer prices are being raised quite drastically; the yields will rise much more than the costs for each balance sheet. Obviously, industrial price rises expected for the next several years were included in this as a precaution¹². Besides, there is talk to the effect that the accumulation power of the agricultural enterprises is to be boosted through higher profits.

A new tax regulation for agriculture is closely connected with the farm price reform. Accordingly, the cooperative enterprises of vegetable production must turn over to the government a fixed amount per hectare of agricultural utilization area. It is staggered according to the quality of the soil. Enterprises with more unfavorable natural site conditions are exempted from this; to some extent they get a government allowance in relation to the particular location. A profit-dependent tax is already being collected anyway from the livestock production cooperatives. The new tax regulation will probably lead to additional government budget revenues and this means that a part of the additional earnings from the higher producer prices will again be drained away from agriculture. For the year 1984, the plan proposals are to be worked out on the basis of the old and the new prices so that it will be possible in detail to recognize the effects of the farm price reform.

Domestic Utilization

Contrary to the ideas of the planners, it has so far throughout the year 1983 not been possible to improve the supply for the population. Private consumption went down in real terms already in 1982 and the same applies to the first half of 1983.

For the first half of 1983, the plan fulfillment report mentions a retail trade volume of M49.5; the result attained during the first half of 1982 almost exactly corresponds to that amount. Because changes in the assortment toward more expensive commodities and price rises in the meantime are also included in the calculations, the supply situation is bound to have deteriorated in real terms. A breakdown according to essential and nonessential foods as well as according to miscellaneous industrial commodities is no longer being presented in the monthly reporting of the ECE; the sales volume in both commodity categories probably did not go up in nominal terms. In contrast to the preceding year, there were however no abrupt supply bottlenecks here; instead, if anything, there was a general stagnation in the supply.

In contrast to these results, the plan fulfillment report states elsewhere that the planned sale of finished products for the population was exceeded in all industry sectors. The delivery of supplies above and beyond the plan has been given at a figure of M800 million--in other words, barely 2 percent of the total retail trade volume during the first half. The plan revisions at the start of the plan year accordingly primarily involved production for the needs of the population.

The population's net money income went up only 2 percent. With presumably stagnating social and miscellaneous earnings, wages and salaries however would seem to reveal a greater increase.

In the second major utilization sector, that is, investments, there was obviously a slight increase in real terms during the first half, contrary to the planned decline¹³. At current prices, the investments for the entire national economy were given at M24 billion. Because, early in 1983, prices for certain machines--as already in 1981 and 1982 for construction performance and equipment--were raised, it would seem that the investment volume at 1980 prices might be estimated at less than M23 billion. This corresponds to an increase of 2 percent compared to the first half of 1982. Investments were concentrated on a few projects and continuing production was brought about through increased efforts aimed at the faster commissioning of new capacities¹⁴.

A good half of the investments went to industry. Major points in investment activity included the expansion of the energy and raw material base, energy carrier conversion--15 percent of all of the investment funds alone have so far been made available for this purpose--as well as sectors with a high productivity effect (for example, microelectronics and robot engineering). The plan fulfillment report points out that rationalization investments were stepped up in industry. Here, in-house enterprise construction of equipment holds a special position; compared to the preceding year, it rose by 17 percent and reached a share of 23 percent out of industry's equipment investments. It is hoped that new technologies can be applied in production faster due to in-house construction¹⁵. It is however questionable to what extent the efficiency of in-house construction falls short of the equipment produced by the capital goods industry as such.

Foreign Trade

Foreign trade (share of exports out of national income produced: about 30 percent) takes up only a tiny part of the text in the plan fulfillment report. It mostly concentrates on economic cooperation within the CEMA. Data in the published 1983 national economic plan were similarly sparing. The document only showed a planned increase for the foreign trade volume (exports plus imports) amounting to 13 percent, nominally; exports presumably were supposed to go up more than imports.

For the first half, the plan fulfillment report mentions an increase of 15 percent in exports, as well as a rise of 9 percent for the foreign trade volume with the socialist countries and with the Soviet Union. The report by the Politburo to the Sixth Conference of the SED Central Committee¹⁶ moreover reported that the export surplus in trade with the nonsocialist economic area during the first 5 months of 1983 was less than proposed in the plan.

The partner country data currently are very sketchy; besides, they once again conflict with the GDR report. For exports as a whole, the increase accordingly is less than reported by the GDR. For trade with the Soviet Union, we get a rise of 13 percent for the first quarter; here GDR imports were increased considerable more (20 percent) than exports (7 percent) in trade with the West there was again a definite split between inner-German trade, on the one hand, and miscellaneous Western trade, on the other hand. In miscellaneous Western trade, GDR imports continued to decline while exports were increased considerably.

In inner-German trade on the other hand, deliveries by the FRG went up 32 percent during the first half of 1983--according to statistics by the Federal Statistics Bureau--whereas imports went up only 1 percent. The GDR procured necessary Western imports through inner-German trade even more so than in 1982. Deliveries from the FRG (January to May) were concentrated on agricultural products (up 96 percent), especially fodder (oil cake and scraps, winter barley) as well as products from the raw materials and capital goods industries (up 34 percent) and here particularly with respect to steel products and nonferrous metals. Basically, the GDR once again primarily purchased products which it needs for its current production effort; deliveries of capital goods industry products declined, with the exception of freight cars.

The stagnation in the purchases of the FRG is due to the decline in the development of mineral oil products. Along with a slight price drop (down 4 percent), quantitative purchases by the FRG during the first 5 months were about 1-fifth less than during the same time the year before.

The sum of miscellaneous purchases by the FRG during the first 5 months went up 7 percent. As a result for the first half, the GDR showed a drop of around 600 million VE [accounting units] in trade with the FRG; the cumulative liability balance deriving from this trade went up; at the end of the first quarter of 1983 it was DM4.3 billion (end 1982: DM 3.7 billion).

The balance for the entire foreign trade effort, especially for trade with the West, cannot be derived from the scarce data. The GDR's indebtedness with the Western countries (excluding the FRG)--according to the report from the Bank for International Payment Adjustment--declined somewhat during the first quarter and, in net terms, came to \$6.3 billion as compared to \$6.7 billion at the end of 1982.

At the end of the first half, the surprisingly materializing unrestricted financial loan from 24 West German banking institutions to the GDR, in the amount of DM1 billion--financed through the DM accounts of the Euromarket--aroused great attention¹. The interest rate on both portions stipulated contractually in the meantime (on 1 July and 7 July 1983), amounting to DM500 million, each, is 1 percentage point above Libor (=London Interbank offered rate = currently 5-3/8 percent or 5-5/8 percent for both slices).

The loan runs for 5 years and DM100 million are due every half-year for repayment. The banks obtained security through a guarantee declaration from the West German government. According to the agreement, there are no risks connected with this as far as the West German government is concerned because the GDR has ceded to it its demands arising from the contractually guaranteed payments out of the West German federal budget (for example, transit lump, sum payments). Interestingly enough, the GDR so far has been silent on the entire process).

In view of the fact that there seems to be no specific purpose for these loans, one can only guess what the GDR will use them for. Probably this will not produce any additional impetus--such as, perhaps, cash payment purchases through Special Account S--as far as inner-German trade is concerned. The actual financing problems in its Western trade as far as the GDR is concerned reside in relations with the other Western countries where it has been in liquidity trouble already since the beginning of 1982 and had to reduce its imports. The finance loan will help in better coping with the current liquidity bottlenecks and will possibly also do away with the doubt as to the credit rating of the GDR. It is assumed in general that, in case of continuing declining net borrowing, the GDR soon will come to a point at which the debt situation may be relaxed. In the meantime it did prove its economic capacity--last but not least with the help of improvements in the economic mechanism.

Data on GDR Borrowing in Convertible Currencies

	1977	1978	1979	1980	1981	1982	1983
	in Mrd. U.S.\$ 8						
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							

Key: (1) Each time at the end of the period covered by the report; (2) Cumulative liability balance of the GDR arising from IDH [inner-German trade], converted into U.S. dollars; (3) Preliminary; (4) Estimated on the basis of net borrowing according to BIZ [Bank for International Payment Adjustment], including inner-German capital transactions (excluding swing); for the interest level, the average rates calculated by the ECE were used (average interest rate on inter-bank deposits reflecting a basket of Euro-currencies, 1977 5.6 percent, 1978 6.2 percent, 1979 8.5 percent, 1980 11.1 percent 1981 13.9 percent; Jahresbericht 1981, p 297); (5) To the Western industrial countries ("capitalist industrial countries") according to GDR statistics; converted into U.S. dollars; (6) According to BIZ, plus inner-German capital transactions; 7--31 March 1983; 8--In billions of U.S. dollars; 9--GDR borrowing status (1); 10--Demands from reporting banking institutions (according BIZ); 11--Obligations of reporting banking institutions (according to BIZ); 12--Balance; 13--Inner-German capital transactions (2); 14--Total net borrowing; 15--For comparison: According to ECE); 16--Interest payments (4); 17--GDR exports (5); 18--Net borrowing (6); 19--Per-capita, U.S. dollars; 20--Percent of exports (5); 21--Interest payments in percent of exports, (5); 22--Relations [ratios].

Sources: BIZ (Bank of International Payment Adjustment): Quarterly reporting; statistics on demands and obligations of the reporting bank, excluding inner-German capital transactions, excluding banking institutions not reporting to the BIZ, excluding loans from non-banks and supplier loans.

Inner-German capital transactions: TSI (Industry and Trade Trusteeship Office). ECE (Economic Commission for Europe): Estimated debt of Eastern Europe and the Soviet Union to the developed market economies: in Economic Survey of Europe in 1981 p 311. The table contains the following note: Gross debt includes short-, medium-, and long-term liabilities. Assets include only eastern deposits in Western banks. Net debt equals gross debt less assets.

FOOTNOTES

1. As customary it was not published. It was mentioned for the first time by Guenter Mittag, the Politburo member responsible for economic questions. See NEUES DEUTSCHLAND, 11 March 1983, p 3.
2. See "GDR Economic System: Control Mechanisms Tightened Up Once Again," prepared by Doris Cornelsen and Angela Scherzinger, WOCHENBERICHT DES DIW, No 21, 1982.
3. The following might be mentioned: Decree on Work with Material Consumption and stockpile management norms and standards of 1 July 1982 (GBL der DDR, Part I, 1982, pp 511 ff)--Decree on Planning, Formation, and Utilization of Bonus Funds for State Enterprises of 9 September 1982 (Part I, 1982, pp 595 ff.)--Order No 2 on planning, balancing and accounting of system exports including Supplier Shipments and Services for Systems Exports dated 9 February 1983 (Part I, 1983, pp 50ff.)--Order for the Periodic Determination of Unneeded Consumer-Side Inventories by the Balancing Agencies as well as on the responsibility and material incentives for manufacturers regarding the effective utilization of surplus stockpiles of their production assortment--Stockpile Utilization Order--of 14 April 1983 (Part I, 1983, pp 146ff.)--Order on the Planning, Formation, and Utilization of the Performance Fund of State Enterprises of 14 April 1983 (Part I, 1983, pp 121ff.)--Order on the Financing Guidelines for the National Economy of 14 April 1983 (Part I, 1983, pp 110ff.)--Order on the Application of Transportation Standards for the Improvement of Planning, Accounting, and Control of the Transportation Effort in the Transport-Intensive Branches of the National Economy--Transport Standard Order (TNO)--of 1 June 1983 (Part I, 1983, pp 166ff.)--Implementing Regulation for the Decree on Material, Equipment, and Consumer Goods Financing--balancing decree--of 2 June 1983 (Part I, 1983, pp 161ff.)--Decree on the Annual Activity Report in the National Economy of 23 June 1983 (Part I, 1983, pp 193ff.).
4. GBL der DDD, Part I, 1983, p 106f.
5. See special issue of GBL der DDR, No 1122, 1983.
6. Net output = commodity output minus material consumption (basic material, energy, miscellaneous material) minus consumption of production services (production cooperation services, repairs, transport and storage costs, miscellaneous productive services) minus depreciation minus rental and lease. This very abbreviated compilation already points to the difficulties encountered in determining the figures.
7. Guenter Mittag, loc. cit., p 3.
8. "Are We to Go after Profits?" BERLINER ZEITUNG, 26-27 June 1983, p 9.
9. NEUES DEUTSCHLAND, 16-17 July 1983, p 3.
10. Statistical Indicators for Short-Term Economic Changes in ECE Countries, Geneva.

11. See also Wilhelm Cisarz (First Deputy Minister of Agriculture, Forestry, and Food Industry): "Farm Price Reform Promotes Output Increase," NEUES DEUTSCHLAND, 17 May 1983, p 3, and GBL DER DDR, Part I, 1983, pp 201ff.
12. In addition to the new purchasing prices for the socialist enterprises, there is also a change in those for individual producers (individual farms of the LPG [Agricultural Producer Cooperative] farmers, small farm plot owners, settlers, and small animal breeders as well as miscellaneous individual producers); for a series of products, the producer prices here of course are below those applicable to agricultural enterprises. This is explained in terms of the costs. This group of persons supposedly could continue to supply subsidized preliminary services because of the unchanged consumer prices in contrast to the agricultural enterprises.
13. The data for investments in the national economic plan, in the speech by the finance minister, explaining the government budget, and in the plan fulfillment report cannot be compared because of the differing delimitation. From all of the available data however one can tell that a decline by about 5 percent to M50 billion (1980 price base) had been planned for 1983.
14. A list of newly commissioned capacities was reprinted in the fulfillment report; these are mostly plants for raw material production (for example, oxygen and nitrogen production, production of magnesium-chloridesols) or raw material refining, capacities for supplier products and for micro-electronic products (for example, solid-body circuits, silicon disks, condensers) as well as for industrial robots and cutting machine-tools. In addition, new plants were also erected for consumer goods production.
15. Klaus Morgenstern: "In-House Construction of Rationalization Equipment Absolutely Necessary for Introduction of New Technologies," PRESSE-INFORMATIONEN DER DDR, 7 June 1983, p 2.
16. NEUES DEUTSCHLAND, 16 June 1983, pp 4ff.
17. See STEDDEUTSCHE ZEITUNG, 27 July 1983 p 20.

5058

CSO: 2300/375

FINANCE OFFICIAL CALLS FOR NEW APPROACH TO INVESTMENT, TECHNICAL DEVELOPMENT

Budapest NAGYAR NEMZET in Hungarian 16 Aug 83 p 7

[Article by Peter Medgyessy, deputy minister of finance: "Key Question: The Organizational, Institutional Reform"]

[Text] Amid our efforts aimed at improving our economic operation, during the one-and-a-half or two decades long course of the economic reform when we were seeking solutions for difficulties, we finally always arrived at fundamental questions such as "What is the reason for the rigidity of our production structure;" or of the lack of enterprise conformance; or why aren't the efficiency indices of investments improving; why are inventories so high in the national economy while the enterprises are struggling with purchasing problems and are complaining about material shortage.

Separate answers can hardly be given to such and similar questions. All this must be weighed as a whole and in its interrelationships. And we must seek the root of the problem in the development of conditions for independent, responsible and enterprising economic operation which seeks renewal, and within this in the development of the appropriate organizational-institutional system.

Further development of the economy's organizational-institutional system is a key question today. This is so among other things because of the classical contradiction between content and form. In 1968 the economic reform terminated the central plan assignment system, equipped the plan with new functions, and presented the economic management with new tasks. At the same time, little has been done to date in the area of organizational modernization to give an efficient form of action to the new functions and regulations, which has hindered development of the operating conditions of a market regulated on the basis of the plan and socialist ownership conditions.

Investment: An Enterprise

When we state this in possession of our present information and experience and when we are urging on the changes, we also owe that much to the truth that we should emphasize: when the reform began, a temporary postponement of big changes in the organizational system was a necessary decision in the system of conditions of that time. First, with the deep changes already taking place,

because of the limited tolerance of society and of the economy it would have been risky to undertake organizational modernization which had not even been fully worked out. Second, it seemed at the time that even without this the new principles and regulations would bring an increased liveliness into the development of enterprising behavior and would gradually create their own formats of action. But the internal cohesion of organizations inherited from the era of direct control, and the interest structure that had solidified in them, proved stronger in some cases than the authorizations also defined in principles and statutes. Progress being made in the direction of improving the market conditions slowed down from time to time, and even stalled at times.

Today, when increasing the production capability of our economy is undelayably important, it is clear that this can be achieved only through strengthening the market conditions and control, greater enterprise independence, realistic acceptance of risks and bearing its consequences, and making its results felt. And all these things also require improvement of the systems of enterprises, institutions, control, as well as the organization of financial institutions.

The institutional background of action formats of the investment process is derived from the control and organizational system of enterprises. Even today this reflects well the "supply responsibility" approach implemented by direct sales or local control: regional isolation, the unspoken requirement of entering into contracts, and in general the task-handling approach--at times even in spite of the profitability viewpoints.

The present structure and decision-making system of the investing--or in the broader sense, of the implementation--process and the organizational structure of those participating in the various elements of the process generally follow the principle of handling tasks by separate regional, administrative, or speciality areas. This monopolized system in which each task or area is serviced by one organization, was suitable to force implementation of the already decided development (investment) at any cost, even by cost overruns or sliding §1c the deadlines if need be. The issuer of the task--the "ordering party"--in most cases was identical with the supervisory organ of the implementing enterprise, and this--almost naturally--required centralization and the monopolistic character. This is characterized well by the fact that the enterprises ministries supervise are--by any type of categorization--mostly major enterprises. (For example, in enterprises under the EVN's Ministry of Construction and Urban Development supervision, 96 percent of the employees are working in organizations with employment over 1,000 persons.)

In its present form--if we consider profitability, income producing ability, or optimum fulfillment of the needs--the organizational system does not promote competition between technologies of various efficiencies, nor correct selection.

The first signs of the new approach are developing. Some organizational, legal, and institutional steps have been taken in the last 2-3 years to dissolve the rigidity, the tensions. Even if it is only in its experimental and initial stage, the competition negotiation system introduced in 1982 and made

mandatory in certain areas in 1983 must be mentioned especially among these. Unfortunately, its implementation is still in its infancy. The fact that the buyers are not yet prepared for this task is just as much a reason for this as is the undissolved slowing effect of the "forced path" regulation. We also do not yet have the "rules for competition," sanctions against indecent business policies, or a legal criteria system. It is well known that the new regulations by themselves do not create competition; the appropriate supply and demand conditions, an organizational system promoting the competitive situation, and appropriately severe financial regulations are needed for this. Even if it is no miracle cure, the mandatory competition is an important ingredient.

Besides all this it is clear today that meaningful changes in increasing the efficiency of investments can be brought about only by treating investments in their entirety as business ventures. What is required for this is that from the time the need is identified until "the key is handed over," a unified system of conditions, or business venture impulses should replace the still existing legal and financial organizational formats in order to integrate every move in the process.

The Change Has Begun

The other large group of organizational matters in the development activity is related to the process of innovation. What kind of problems are we having here?

In the countries which lead the technical progress, the organizational growth of technological development has a decade-long past. Technological service has become an independent speciality area, the task of which is to concentrate the intellectual resources which serve the acceleration of the innovation process, optimization of the technical development, and the effective technological-economic activities.

In this country a thorough change was brought about by the change in the world economy's system of values and by being forced to embark on the path of intensive growth: at the end of the decade of the 1970's reviewing the motivations of the engineering activity and developing the necessary measures became unavoidable. As a consequence of this, the change began to take place also in the Hungarian economy. The organizational guide principles for setting up and operating technological development enterprises were defined, and those legal statutes were published which organized the conditions. A series of research institutions were converted to development enterprises, and several subsidiaries and partnerships were created. At the present time there are 36 technological development enterprises. Of these, 18 are supervised by the Ministry of Industry, five by the Ministry of Agriculture and Food Industry, and seven by the OKISZ [National Federation of Artisan Cooperatives].

A lower tax level on profits, a flexible amortization system, and the profit sharing construction also provide assistance for the successful operation of the technological development enterprises. Due to the shortness of time far-reaching conclusions can not yet be made about the effect of the new conditions.

The profit sharing construction introduced as of 1 January 1982 has not yet been generally accepted in the practice of negotiating contracts. The primary reasons for this are those of attitude. Even where the contracting parties did take advantage of this opportunity, its effects still cannot be evaluated as yet since the research topics and development tasks take longer than a year to run their course.

Within the circle of the technological development enterprises the newly organized national organizations were created with small staffs and a simple internal management system. The majority of these are under the direction of--and have common interests with--the production enterprise expects the innovations (subsidiaries, joint enterprises, partnerships). These formations indicate that the economic operating organizations are beginning to recognize the advantages of sharing the burdens for tasks which involve risks. The small enterprises and the GMRs [economic work partnerships] have also appeared. The research-development-production-sales partnerships represent a unique format.

Live Work and Tax System

In order for the technological development enterprises to be really able to accelerate the entire process of innovation, it is necessary for them to operate in a general environment which is oriented towards profit and has the flexible system of conditions for technological renewal. The first one requires modernization of the tax system. In order for the enterprises to choose technological development the present directions of evaluating live and dead work must be modified, the value of live work must be raised to its realistic reproductive costs. There is a need to increase the advantages derived from the system of accelerated amortization, which over the long range also requires elimination of the centralization of amortization. Simplifying and combining the amortization keys is also necessary. Improving the evaluation and record keeping of intellectual properties is an important area of improving the system of conditions. The activity of technological development enterprises may be appearing to a greater and greater extent in the new intellectual properties, while purchasing these at the present time does not increase the wealth of the producing enterprises. Treating the intellectual capital properties as the enterprise's property may provide the incentive for the enterprises to make greater use of the intellectual properties (license, invention, rights, etc.)

The innovation process and organization does not develop from one day to the next. Besides the new organizations many people are still working on technological development under the conditions traditional in our country--for example in educational institutions, or in economic operating organizations. Improving cooperation and integration of the results among these is an important task. The new organizations can do much in this area also by popularizing the technological achievements.

8584

CSO: 2500/423

MIDYEAR ECONOMIC RESULTS WEIGHED

Budapest NEPSZABADSAG in Hungarian 20 Aug 83 p 3

/Article by Istvan Foldes/

/Text/ At its April session, the Party Central Committee evaluated the work done since the 11th Congress and also surveyed the changes in the economic situation of the country. It concluded that "during the past years, the national economy developed in accordance with the economic-political guidelines defined by the 12th Congress. The principal economic-political goals were basically accomplished."

Based on the recently published data of the Central Bureau of Statistics, the same thing can be said about the first half of this year. During the first 6 months of 1983, the preeminent goal of the plan, an improvement in the foreign debt situation of the country, was accomplished. In contrast to the passivity during the first half of last year, the non-ruble exchange foreign trade closed with a considerable export surplus. (In addition to increased exports, a decrease in imports also played a role.)

However, the external circumstances for achieving the plan did not improve this year either. On the contrary....A whole list of our important export goods suffered a drop in price or just a slight increase, with the price level of imported goods rising considerably higher. During the first 6 months, the terms of trade weakened by more than 2 percent, the price level of imports exceeded that of exports by this amount.

Although there are signs of some improvement in the capitalist world economy, this did not bring any relief for us so far and neither is such relief expected for the rest of the year. Competition remains sharp and there is no letup in the various open and disguised import restrictions in capitalist countries, which also affect us.

In our ruble-exchange trade, the price of imports was increased more than the price of exports, most of all due to the belated increases in the price of energy carriers and other raw materials. In order to improve the balance, greater efforts and the exact fulfillment of our delivery obligations are necessary also in this relation.

Activity Instead of Deficit

It is widely known that our country has an open economy and its sensitivity toward the world economic processes was particularly strongly felt in recent years. But our foreign trade situation and the changes in our export balance reflect not only the changes on foreign markets which are essentially independent from us. They also reflect how our national economy adapts itself to the changed external circumstances, how we respond to world market challenges. Between 1973-78, our response was delayed with the result that individual and social consumption exceeded the national income, and the deficit was covered by an increased indebtedness to capitalist countries. As a result of our efforts since 1979, the non-ruble exchange trade balance was stabilized by last year, moreover, we had a surplus of about 400 million dollars. The same process also continued this year.

To reverse the trend, two-directional and mutually correlated decisions and regulations were needed. Domestic consumption had to be lowered to a realistic level. First of all, we slowed down on investments, this year, their level in the socialist sector is lower by more than a quarter than it was 5 years ago. With respect to the population incomes, we projected their maintenance at the existing level but we were also forced to effect some declines in this year's plan. In the midst of decreasing domestic earnings, production can increase only by means of and to the extent of an increase in exports. And, because the structure and quality of our production on the one hand, and the unfavorable market conditions and sharp competition on the other hand, provide us with only limited possibilities in this direction, we could not avoid to slow down the rate of development of our industrial production.

Responding to the Market

It can be viewed as a tremendous achievement that, in spite of the difficult market conditions, exports increased by about 30 percent during the past 5 years (more so in non-ruble exports). This enabled us to counter the nearly 20 percent drop in the terms of trade which took place during these years, and to achieve an improvement in foreign economic balance. Thus, decreased domestic consumption on the one hand, and increased exports and decreased imports on the other hand, proved effective although they were unavoidably accompanied by a slowdown in the rate of industrial production development. On the long range, however, we obviously cannot acquiesce in the current dynamics of national income and industrial production.

This year's national economic plan projected a 1-2 percent expansion in industrial production. However, during the first 6 months, production was virtually stagnant: industrial production exceeded by only 0.1 percent the production during the first half of last year. (In July, industry produced less than a year earlier.)

There was a strongly differentiated development among the various industries and even more among their branches, mainly in response to their divergent

export possibilities. Production in the mines decreased by 2 percent and, within them, 4.6 percent less crude oil was brought to the surface. For instance, the machine industry had an 0/8 percent production increase but, within it, the telecommunication and vacuum technological industry produced values nearly 9 percent higher and the tool industry produced values more than 6 percent higher than before. The chemical industry increased its production by 1 percent and in such a manner that it decreased domestic deliveries, increased ruble-exchange deliveries by 17 percent and non-ruble foreign deliveries by about one-third. Chemical fertilizer production increased at a rate exceeding 7 percent, plant-protective chemical production increased by 36 percent, pharmaceutical production increased by over 3 percent. Light industry produced nearly 3 percent less than the year before. There was a slight production increase in the paper and printing industries while there was stagnation or decrease in other branches. The food industry increased its production by nearly 1 percent and considerably increased its exports. The greatest expansion, at a rate somewhat over 2 percent, was in building-material industrial production where the demand for construction material by the population was the primary driving force. Examining the internal causes of nonfulfillment of the plan, it can only partly be justified by the efforts of the strict import management, a much greater role was played by the deficiencies in domestic cooperation, the dragged out signing of contracts, transportation delays, postponements in production and product development, and occasionally also by the lack of manpower.

At the expenditure side of the balance for the first 6 months of the year, the volume of investments decided by the state differed from the plan. Namely, this increased instead of decreasing (among the enterprises, there was a decrease in the volume of investments, although less than planned). The income of the population changed largely in accordance with the plan, both the wage and price levels are in tune with the content of the plan. The volume of small enterprisa trade decreased by 0.5 percent, less than planned. The supply of goods was adequate for the majority of consumer goods, in a more limited area the supply was increased, but in the case of a few industrial goods, the demand could not be fully satisfied.

The Second Six Months

The results of the first half of the year largely define the national economic achievements of the entire year. However, because of the realities of our country, the composition of our production and other factors, the second half of the year, in general, has a greater effect on the annual results. This year, the task is also much more formidable.

For instance, to achieve the 1-2 percent growth rate in industrial production after the stagnation during the first half of the year, we would need a 2-4 percent growth rate during the second 6 months. In non-ruble financing, the greater part of the about 800 million dollar desired surplus, more than 500 million dollars, will also have to be produced during the second half of the year. To realize all of these, we need more active enterprisa and foreign trade efforts than until now, during the remaining period.

In industry, the main task remains unchanged. We must increase the organization and effectiveness of labor, and improve market activities. The latter is more urgent because the list of orders for the second half of the year, in many enterprises, still doesn't support the plan. The tasks of saving energy and material, and of utilizing waste material remain unchanged. During the first two quarters, there was a continued decrease in the energy consumption of the national economy which also improved our foreign trade achievements. Both in economic guidance and in enterprisal management, greater attention must be paid to prevent disruptions in production and material supply and to overcome difficulties caused by import restrictions.

Compared to industry, the second half of the year is even more definitive in agriculture. It is true that during the first 6 months agriculture sold nearly 8 percent more goods than a year earlier, but part of the goods came from last year's production. With respect to this year's production, a strong-average crop was finally collected from cereal grains. But the early hopes placed in the autumn crops were considerably deflated by the drought. According to the end of June count of animals, the animal stocks show favorable changes. Farms and private animal keepers are raising more than 2 million heads of cattle and 10.2 million swine (the number of the former is essentially unchanged but the latter exceeds last year's stocks by more than 1 million). The expected lower yields of croplands and grazing lands could not cause delays either in the supply to the population or in feeding the animals. But it obviously decreases our export possibilities. A moderation of the extent of losses will largely depend on the agricultural enterprises. For instance, how well they will organize the work during the fall, the decrease of the losses, how they will replace the missing general fodders with side products, and so on. The experiences already collected indicate that the efforts of the workers and the government regulations are hope-inducing.

Responsibility for the Future

The middle of this year is also the halfway time of the 6th Five-Year Plan. Fulfillment of this year's plan will considerably affect the management of the next 2 years of the intermediate-range plan and the achievement of the goals of the 6th Five-Year Plan. So far, the two main econo-political goals of the plan, namely restitution of the balance and maintenance of the standard of living, were fulfilled although with lower national income than planned.

During the first half of the plan, there was a turn in the foreign balance conditions of the national economy. The surplus of imports was replaced by a noticeable surplus of exports and, after many years, the national income produced finally exceeds domestic consumption. We have started to lower our debts earlier than planned--it is true that we were also forced to do so by the international money market situation. But the maintenance and solidification of foreign fiscal balance will also be the tasks in the ensuing years. It is not only the final balance of the first half of the 1980's which depends on the fulfillment of this task, but also the possibility that we can begin the next 5 years starting from a relatively consolidated situation.

The foreign economic balance turned out to be more favorable than planned in spite of the fact that industrial production failed to reach the projected levels, it grew by only 4.8 percent over the 2 year period. (The 5 year projection is 19-22 percent.) Last year, agriculture produced 6 percent more than in 1980. (The plan projected a 12-15 percent growth compared to the previous 5 years.) The plan took in consideration the possibility that "in the interest of a more rapid attainment of balance, during the first years of the plan period, the growth rate of national income can somewhat fall behind the average rate of growth of the plan period." Nevertheless, the 4.5 percent increase as a total for the first 2 years is still lower than the portion allocated for the first 2 years from the 14-17 percent growth planned for the 5 years. Under such circumstances, the proportions needed for balance could be maintained only by holding back on domestic consumption, above all on investments.

With regard to the standard of living, the projected growth rate was even exceeded somewhat during the first 2 years. From the planned 6-7 percent increase in per capita real income over the 5 years, 3.2 percent was realized in 1981-82, and from the planned 7-9 percent increase in public consumption over the 5 years, 3.8 percent was realized during the same period. The health and housing conditions have also improved. It is true that our plan for the current year projects a slight decrease not only in investments but also in real income and popular consumption, a maintenance of the average real income level will nevertheless be accomplished.

With respect to the remaining second half of the plan, we cannot realistically count on a substantial improvement in foreign economic conditions. In the capitalist countries, there will hardly be such an extensive upturn which characterized the 1960's. According to the professionals, the slight upturn which has just started will be mild and largely temporary, and stagnation rather than continuous progress can be expected during the later period. In the CEMA nations, we can probably count on some increase in the growth rate but our raw material purchase and import possibilities in general will remain limited. It is expected that, in the ensuing years, these nations will not be filling the same role in increasing the dynamism of our national economy as they did earlier. Thus a rapid growth in exports is not very probable while imports can be lowered even less at the current rate. Rather, their increase will become necessary.

Under such circumstances, the measure of our economic advancement will increasingly depend on the improvement of our work, our increased adaptability and flexibility.

2473
CSO: 2500/432

SELECTED COMMENTS OF POLITICIANS, ECONOMISTS PRESENTED IN BOOK FORM

Budapest MAGYAR NEMZET in Hungarian 18 Jun 83 p 9

[Article by Gabor Toth: "Politicians Discuss the Economy: Our Present and Future on the Basis of a Book"]

[Text] We ought to reevaluate our habits. For example, we have become too used to thinking of development in terms of quantitative growth; now we must learn to appreciate the qualitative elements of growth. We have also become accustomed to having regular increases in our standard of living; now we must get used to the idea that preserving our present standard of living is possible only by way of greater effort on everyone's part. We have grown accustomed to having relatively constant prices; now we must learn to accept the fact that prices develop according to objective processes and have nothing to do with the subjective intent of our government or our party. We have become used to the availability of state funds, and as a result to taking things easy; now we must break with this attitude and learn that we cannot treat the good, the mediocre and the poor equally. In our wage policy we have become accustomed to promoting egalitarianism; now we must create a new public attitude which accepts greater income differences on the basis of performance. We have also become accustomed to having everything dictated to us from above, including what should be done and how, an arrangement for which the executive type was the most ideal person; now we must become used to independent thinking, assuming responsibility and respecting "heavyweight" enterprising people who are willing to take initiatives. And finally we have become used to accepting certain departmentalized views such as the one that separates the economy from ideology; today, however, we already know that what we need is a comprehensive way of looking at things: building our tomorrow and socialism is a complex task and a joint work of our entire nation.

The following thoughts are taken from a newly released volume. It has just been published and contains statements by seven politicians: they have been selected by Kossuth Publishers from speeches and articles by Ferenc Havasi, Gyorgy Lazar, Miklos Ovari, Jozsef Marjai, Lajos Faluvegi, Sandor Gaspar and Istvan Hetenyi. It is entitled: "Gazdasagpolitikankrol" [On Our Economic Policy]. And wherever I open it up there is not a single page about which I could say: no, this does not apply to me. Every page in it is a discussion of our destiny, our present and future, and of course our recent past.

It offers at least as many lessons for us as some of our more distant stops on our historical path. In discussing the obsolescence of some of our habits I was quoting Miklos Ovari; if, however, we wanted to look at things from the point of view of an even more distant, yet still socialist reality, Sandor Gaspar's interview would be the best place to start from. Quoting Ady he says the following about "always being late": Our awareness of this fact and our eagerness to change it both help to explain why, following the liberation and the socialist change, we have wanted to move too fast, why we have considered our goals to be too close within our reach and too easy to attain and why we have acted, to put it frankly, so impetuously on certain matters.

I have read somewhere that we have finished going to school. Today our policies enjoy the support of society; as Gyorgy Lazar put it: no task is too difficult for us to solve and no predicament is too serious for us to overcome if we have the courage to face reality--including our own weaknesses--and if we openly share our problems with the people. Today the conditions under which we live and work are such--he pointed out in one of the sessions of parliament, as we can read it again now--, that we are constantly reminded not only by the lessons of the past but also by the consequences of the present and the future that we must preserve and further strengthen the virtues of our policies and boldly break with everything that is obsolete and that hinders rather than promotes progress.

Our wise basic principle--namely, that the best policy is an open policy--is reflected in several places in this work. If there is a common impression that can be gathered from the statements of our leading economic policy makers--judging from their style, their perceptions and their way of thinking--it could be best summed up in one word: sincerity. When, for example, they discuss our living standard, one of the most sensitive points of our present economic policy, they never try to point out only the favorable and positive things and they always start with the problems. This is how Ferenc Havasi put it in one of his statements: "We do not want to prove the impossible to anyone; we do not want to try to convince those whose standard of living has declined that it has actually increased." Overall, of course, we have nothing to hide. The main political problem facing us today is the preservation of our country's solvency; everything within our control must be subordinated to this objective. In other words, there is much more at stake than just a few percentage points of difference in the living standard; losing our solvency would bring about a considerably greater decline than that in our country's production and standard of living. We are not talking about anything of this sort! Just to mention one example, one "element" of our living standard: in Hungary, so far, we have been successful in maintaining a balanced supply of goods. Hence when we go abroad usually we notice two types of businesses: either empty stores with long lines of people waiting in front of them, or shops with shelves filled with goods but without any buyers--fortunately, our country does not fall into either of these categories.

Nor have they ever tried to evade the sensitive questions: "We have made decisions for which we, and especially I, have been castigated--told Jozsef

Marjai some foreign journalists once. One time one of our delegations returned from some international conference which we only allowed three people to attend altogether. Even the smallest socialist delegation had eight times as many members as ours. And did I ever hear about it: why do we have to act in such an extreme manner? Well, if we have to save capitalist currency that is what we must do!"... Or let us take the sensitive case of small businesses. At the congress of SZOVOSZ [National Federation of Cooperatives] Gyorgy Lazar talked about a "secret": "I suspect, that what we have behind our concern for our national economic interests which we occasionally express in terms of ideology, is actually a fear of competition, a fear of rivalry that would threaten the comfort of somebody's monopoly position. Well, let me tell you a secret, and in this case I do not mind if this secret is "secretly" passed on. In addition to helping us satisfy real social needs, small businesses were also established to stimulate and encourage healthy competition, and we do not start panicking even if it becomes apparent that not everyone is able to keep up with its pace. At least we will be able to see clearly who is and who is not suited for managing a business. Not to mention the fact that most of these new business forms are not even private undertakings, but rather new and for us still unusual manifestations of socialist enterprise."

Work, flexibility--reform. These are also key words in our economic policy. As Jozsef Jarjai stated: "Today only two production factors are recognized by the world economy to be above average: exceptionally favorable production potentials, and brisk and talented creative work. Since we already possess the second factor it is our duty to make the most of it." And then he explains: qualities such as a sense of duty, love of work, diligence, discipline and integrity deserve our highest recognition. Not only in the productive branches, but in all areas where they affect the public spirit, such as in administration and in the organs of state power; "in these areas we must also reduce our staff levels and simplify the management of our affairs."

In the present difficult world situation much depends on our leadership. According to Ferenc Havasi it is important for us to understand what it is that we can expect from our leadership and what it is that must be attributed to our objective situation. His example has been quoted by many people since then: "When a sea is rough and it has the ships of 150 countries travelling on it, 140 of which are struggling with heavy debts, the question to be asked is not why the sea is rough but whether the leadership, the government has lined up its ship in a proper angle with the waves in order to prevent it from overturning and if possible to help it weather the storm."

Everyone had something to say about the course and the road we have taken. Aside from the fact that at the time the new economic mechanism was introduced in 1968 it was given too much emphasis, our economic policy has remained unchanged. As Lajos Faluvegi points out: as far as the more general goals of socialist construction are concerned this was true then, and it is still true today. In the early 1970's, however,--precisely as a result of our new system of guidance and incentives, and later around the middle of the decade following the revolutionary changes in the world economy--we were

forced to realize that there were many things which had to be viewed differently also from the point of our economic policy.

How do we go on? These days various views can be heard regarding our economic policy and our mechanism of guidance. According to one view, given today's pressing difficulties we should strive to exert a stronger influence on everyday life; another view holds that in order to achieve the best results we should use precisely the opposite method, relaxing the restrictions on our market conditions. In connection with this many have called for a "reform of the reform." Lajos Faluvegi admits: we need to take continuous steps, and at certain times we need to promote more comprehensive-type developments. Or if you like: reforms. "These, however, can only be successful--he says--if their system of economic interrelationships is examined carefully and is worked out in proper detail, and especially if they establish a truly new course and new forms of movement for our economic development. But in order to accomplish this we need to have a kind of social consensus....it would be illusory to believe that every progressive change will satisfy everyone once put into practice." We all know that in order to ensure the continued development of our society as a whole, we must accept having to deal with many more conflicts than before. In the past few years we have taken several important and progressive measures regarding our price system, industrial and employment management, enterprise organization, small-scale production and our international financial regulators. In the coming years we intend to modernize our system of wage regulators and to make qualitative improvements in our resource redistribution mechanisms and enterprise management. We have learned, however,--from our own experiences and from those of others--that proceeding along this road requires proper foresight.

Our reforms are a part of our revolutionary transformation and in historical retrospect they will not be considered any less significant than those introduced in the 30's of the last century. I read this in Istvan Hetenyi's comments, who begins and concludes one of his articles with references to Szechenyi: "Beside pluralism, progress today depends perhaps even more importantly on goal-oriented action by scientific minds inspired by a common interest". This recalling of "Hitel" [Credit]--"the best way to start any reform is to start with the people"--is offered here almost as a conclusion; considering its spirit and the intent of this book, however, it could also serve as a motto at the beginning of the volume.

9379

CSO: 2500/424

'NOT' PROPOSALS FOR REVAMPING REFORM DEFENDED, REPUDIATED

A. Kopec on Proposals

Warsaw TRYBUNA LUDU in Polish 9-10 Jul 83 p 8

[Interview with Aleksander Kopec, NOT [Chief Technical Organization] chairman by Jerzy Kulka, PAP reporter]

[Text] The lively discussion continues over the reform of the national economy, its ultimate shape and its current efficiency and effectiveness, and finally over the modifications of particular solutions and reform instruments that have been implemented.

Various drafts for changes, improvements and modifications come in from the various social circles—from economists, scholars, from enterprise workforces and management and from social organizations. A proposal for changing economic mechanisms and systems of management made at a meeting of the Commission for Economic Reform Affairs by members of NOT has received a great deal of publicity. Today we are giving Dr of Engineering Aleksander Kopec, chairman of NOT and member of the Commission for Reform Affairs, an opportunity to present this proposal.

[Question] What is the basis of the NOT proposals?

[Answer] Our surveys show that only one-third of the management and engineering-technical cadres understand reform principles and mechanisms. Similar studies of scientific-research institutions yield an even more pessimistic picture.

The engineering-technical community is aware that the ultimate shape of the reform and its success are determined by the people that make the regulations as well as by those that operate according to executory regulations that encompass the entire gamut of economic and financial issues.

We realize that the circumstances and procedure underlying the preparation of the reform were not conducive to its proper preparation. As a result, its regulations focus mainly on economic issues and fail to give proper attention to organization and technology.

We wrote the following in a resolution of the 20th Congress of Polish Technicians, and we stand behind this: "The currently implemented economic reform, awaited for years, is supported fully by the technical community. However, it is urgent that it be modified and supplemented by regulations regarding the following: giving clear priority treatment to an increase in production and productivity, to eliminating waste and improving economic conditions and to creating incentives in proportion to labor input."

The document "Drafts for Amending Basic Laws That Affect the Operation of Economic Reform Mechanisms," prepared by the NOT Scientific-Technical Committee for Economics and Economic Reform Affairs is a logical result of this position. We presented this document during a meeting of the Commission for Economic Reform Affairs.

Almost all of the amendments we proposed have the purpose of correlating the text of laws with the statements contained in such major documents as: "Basic Economic Reform Assumptions" from January 1981 and the "Program Assumptions for the Ninth Extraordinary PZPR Congress" from April 1981. A number of basic statements included in these documents were not reflected in legal documents or became distorted in practice, producing undesirable economic and social results. For example, the Ninth Party Congress never recommended inflation or inferior product quality.

[Question] The NOT draft for amending the economic reform law is a very extensive document.

[Answer] Yes, it is a booklet 130 pages long that outlines our draft plans for amending laws on: state enterprises, the workforce self-government of state enterprises, socioeconomic planning, prices, the financial management of enterprises, taxation of units of the socialized economy and licenses to conduct foreign trade, along with justifications for the proposed changes. In the opinion of NOT, in the 18 months since the reform was initiated, the operation of economic reform mechanisms has not been effective enough in the various fields. That is why we proposed that in addition to the suggested efficiency moves for stepping up production and improving management efficiency, the creating and utilizing of the results of scientific-technical progress and the restoring of internal and external economic stability, the following questions in particular should be examined: streamlining the process of steering the national economy, improving labor and production quality, clear and effective methods of management and ensuring the active cooperation of Poland with socialist countries. I have the impression that we wish to implement a leaderless reform, without a system of management; our task, however, is to strengthen the role and significance of management cadres at all levels of management and to broaden significantly the social base of the economic reform.

[Question] Toward what end do the NOT working group proposals aim?

[Answer] Ours are not "anti-reform" proposals; on the contrary, they arise out of concern for its effectiveness. They are in conformity with the principles of the PRL [Polish People's Republic] Constitution and, to the best of our knowledge, they will set up better conditions for bringing our country out of the economic crisis. In particular, they will enable a more effective struggle against inflation, they will facilitate the implementation of a program of economizing, they will engender an increase in the production of goods and services, they will more effectively stimulate an increase in labor productivity and they will lead to an end to costs increases and thus to price increases. Likewise, they will exert increased pressure on enterprises to be concerned about product development and quality based on market studies and marketing, about their direct sale domestically and abroad and about servicing after purchase. Moreover, the updating of the reform laws, according to our draft plan, will produce at least minimal conditions for the development of technological and organizational progress, will link the central planning system with planning in enterprises, will create the possibility for founding organs to build the proper structures for organizing production and its suitable development and scale and finally will limit the possibility that conflicts will arise between the director, the self-government and trade unions with regard to problems of authority, interdependence and the like.

We believe that the legal regulations currently in effect do not create an economic incentive for enterprises to begin to act in the desired direction, but on the contrary, they operate in the opposite direction than is necessary to the state and society. Meanwhile, we believe that the economic reform cannot be a reform for enterprises. It must also be a good reform for the entire society.

[Question] Mr President, what would you like to discuss of the specific proposed solutions?

[Answer] The entire package proposed by NOT is extensive and directed primarily to those people that work on the shape of our economy. Hence I believe that a factual, substantive discussion on the proposals would be more useful than an attack, which is frequently leveled at personalities. Some of the proposals that I will cite in very abbreviated form will in no way present the entirety of our draft plan. They serve only as an illustration. Thus, we propose that both single plants and factories composed of several plants (of which there are about 200-250 according to our estimates) be allowed to enter into the organizational structure of enterprises, which is what is required by the contemporary organization of production. In highly industrialized countries there is a trend toward concentrating means and forces by creating concerns that are sometimes very large, in which co-production enterprises are subordinated strictly to the enterprise that produces the finished product. That is how the FIAT plants work. Meanwhile, our regulations allow enterprises a free choice and perhaps they themselves finally will come to the conclusion that such a management system is advisable.

Meanwhile, however, the economy and society incur losses. We believe that it is necessary to link the producers of finished products with their major coproducers, but the latter should not have their right of enterprise autonomy taken away.

An example that is close at hand: we have in Poland the VIS Precision Tools Works that achieves good results in production and export and has worked effectively with good labor productivity for many years without a large bureaucratic machine. The director of one plant is the director of the entire works. On its behalf he sets up the conditions for terms for production and export purchases and for technological progress.

We must provide the director, however, with clearly defined working conditions. Given the principle of management by one person and responsibility held by one person, we cannot retain regulations in which this responsibility is not clear. The director is a representative of the state, and thus of society as a whole. The existence of the self-government should not lead to a dyarchy. A good self-government cooperates with the director and strengthens his authority.

Experience has shown that cooperation is good whenever functions, tasks and the scope of responsibility are clearly distributed. For many years I was the director-in-chief of the automobile factory in Swidnica and of the Wroclaw DOLMEL Plant. Frequently matters led to a sharp exchange of opinions between the management and the self-government; despite this, both sides maintained respect and preserved their authority. The self-government must have an impact on the selection of the director. The person that is selected, however, must have all the conditions that are necessary for him to perform his duties, while being under the constant supervision of the self-government. This does not violate the laws and the constitution, but strengthens them.

In our document, the enterprise plan takes into consideration the country's social and economic needs, the operating conditions of enterprises and work-force needs. We have brought social and economic needs to the fore without giving preference to often parochial enterprise interests. In our updating, we have eliminated all entries that could lead to interpretations that enterprises are group property and not the property of society in general.

We anticipate the possibility that the operation of the self-government will be suspended by the founding organ when the results of enterprise operation do not comply with public and economic interests, e.g., when production costs and prices are raised, when a lack of concern for fixed assets and their renovation is apparent and when there is a lack of concern over initiating technological progress and improving product quality and the like. Society is not, and cannot be, interested in continuing weak groups and weak enterprises over the long term.

In the planning area, we propose changes that will prevent planning from being identified with management, as was the case in the past, primarily at the highest levels of authority. This plan organizes social effort; that is why there must be a specific interdependence between the plans at the particular

levels. Our proposals aim toward the attainment of cohesiveness and consistency in planning during the initial period. This concerns the yearly plan in particular, prepared "from bottom to top" via the duty of the higher level of the administration to set up tasks and plans (shared in, however, by substantive bodies of social groups) until such time as the need for state control of raw and other materials, energy and the like subsides.

[Question] According to the reports of the NOT working groups, the draft plan of changes in laws should protect society against inflation. How?

[Answer] In our proposed updating of the law on prices, we placed strong emphasis on halting discretionary pricing that was leading directly to the winding of the inflationary spiral. The economy is a monopoly in nature and still produces too few products.

We propose the principle of price-setting for basic raw and other materials according to world prices (converted according to a uniform rate of exchange for export and import) and for all items produced from them due to "added labor" prices based on prime production costs with the allowable profit margin. We propose that the turnover tax be levied in the trade sphere and not in the production sphere, a proposal that has been suggested for many years.

The major proposals in the field of the financial management of enterprises concern the system of enterprise profit distribution, the abolition of the sort of second income tax that the vocational activation fund is in reality and the dropping of the practice of including sums for social funds in the burden of the production costs of products (raising the base for setting the prices of these products), calculating these sums based on profits instead.

In assessing the rights of enterprises to conduct foreign trade, the engineering-technical community takes the position that a significant improvement in its [foreign trade] results may be achieved through the fuller implementation of the principles of enterprise autonomy. At the same time, the foreign trade ministry should preserve its full powers to perform initiatory functions (international agreements) and functions of control, above all, by licensing specific export and import transactions instead of granting licenses to conduct foreign trade.

We would like to impose on production enterprises the duty of exporting some of their products at the highest foreign-exchange prices possible. On the other hand, new terms should be created for foreign exchange enterprises so that the goods they import in the future could represent a type of competition for domestic products, mobilizing domestic producers to improve product quality and modernity, to reduce their own costs and prices and to conduct the sale of products and servicing effectively.

The NOT leadership believes that the opinion of the Polish technical intelligentsia that our organization represents should be heard and analyzed with greater attention and concern on the issue of the ultimate shape of the economic reform.

Technicians are the officials of industry that stand in a united front with the working class and will apply the reform in economic practice together with them. If the reform is to conclude successfully, it likewise must be their reform.

TRYBUNA LUDU will return in the near future to these and other problems broached in the interview.

Engineers versus Economists

Warsaw TRYBUNA LUDU in Polish 13 Jul 83 p 4

[Article by Andrzej Leszczynski; material enclosed between slantlines printed in boldface]

[Text] The engineering profession, that usually marks out a relatively simple road to solve technical or technological problems, is well respected. Is it possible, however, to speak of the identification of the methods of approach and time period of the maturation of a concept in the spheres of technology and economics?

These questions and reflections emanate from the interview given by NOT chairman Aleksander Kopec to a PAP reporter, published in its entirety by TRYBUNA LUDU several days ago. This interview is an abridged and altered, or rather toned down version of the NOT working group document known to the Commission for Economic Reform Affairs as "Drafts for the Amending of Basic Laws That Impact on the Operation of Economic Reform Mechanisms."

Reporting on the meeting of the Commission for Economic Reform Affairs that was held on 22 June, we wrote that this document was criticized unequivocally and unanimously by commission members, among whom there are many economic experts from various fields, schools and generations. /No one questioned the concern of the NOT working group over stepping up production and improving the efficiency of management, the creation and utilization of the results of scientific-technological progress and the restoration of internal and external stability. Both these and the other goals mentioned in the interview, including the streamlining of processes of steering the national economy and improving the quality of labor and the quality of labor [as published] are indisputable. The question is how to achieve these goals./

The proposals of the NOT working group run in various directions and generally concern the structure of the economy. In the interview, the NOT chairman discussed this in the following way:

"We propose that both single plants and factories composed of several plants (of which there are about 200-250 according to our estimates) be allowed to enter into the organizational structure of enterprises, which is what is required by the contemporary organization of production." In the document that was submitted to the Commission for Economic Reform Affairs, this question is expressed very pointedly. The document speaks of: "giving founding organs

the possibility of creating state enterprises--combined plants from multiplant enterprises currently in existence."

In essence, this is a proposal for a return to structuring the economy using orders from the top, as though it is better known at the higher levels of authority what fosters and what hinders an increase in social productivity. /This proposal aims at the reconstruction of the middle orders element./

Impatience is understandable regarding the gradually developing new structure based on voluntary associations and other forms of cooperation growing up within the process of amassing experiences.

However, that does not justify the return to administrative, multilevel management--management that has led our economy astray.

The interview likewise discusses the need to tie in the producers of finished products with their major coproducers without depriving the latter of the right to be autonomous. In the document, the NOT working group, less than 2 months before while this right is negated on page 7 [as published]. Which position expressed the real views of the NOT working group on this issue? Even if coproducers linked (by whom?) with the producers of finished products retained their autonomy, as stated in the interview with the NOT chairman, would this not be a formal autonomy, since they would be deprived of their right to select consignees?

Undoubtedly we must be concerned over improving the cohesiveness of the interests of autonomous enterprises and priority social goals. This concern, however, should not mean reverting to a former method that clearly led us astray. Impatience and anxiety are never good advice for the solution of complex economic problems in particular.

The proposals of the not working group, however, reflect more than impatience or anxiety. They also lack faith that the economy can run efficiently and effectively with the cooperation of workforces. The NOT document spoken of openly demeans the role and the significance of consultation with society on the plan "...that is known from planning practice not to lead anywhere. We must have planning on behalf of society," we read in the basic document. Thus, it is to be planning on society's behalf, but without its participation.

The NOT chairman refrained in the interview from questioning openly the role of society in shaping the plan. This idea is expressed in a cautious form: He says: "Our proposals aim toward the attainment of cohesiveness and consistency in planning during the initial period. This concerns the yearly plan in particular, prepared "from bottom to top" via the duty of the higher level of the administration to set up tasks and plans (shared in, however, by substantive bodies of social groups) until such time as the need for state control of raw and other materials, energy and the like subsides."

The lack of faith in the participation of workforces in the management process is expressed particularly well in the proposals for modifying the law on the workforce self-government of the state enterprise. These modifications

reduce splendidly the list of so-called powers constituting the employee council. This list excludes such powers as: /passing resolutions on investments, expressing approval of the creation of enterprises or their admittance into associations, expressing approval for concluding an agreement on the creation of a joint or combined enterprise and the passing of resolutions on the issue of changing the direction of operation of an enterprise. The right to merely offer an opinion is retained on these and other issues./

With regard to the passing of yearly plans, the draft plan upholds the right of the employee council to pass such plans, but only in such cases where they are not confirmed by founding organizations. In such situations, employee councils would have only the right to give an opinion on them.

Besides the narrowing of powers, the second proposed serious change is based on including an entry stipulating that: "In the event that an employee council permits a plant to be run in a manner that does not comply with the interests of society, the founding organ has the right to suspend its operation until conditions are created to restore its operation." Again, the NOT working group is inclined to grant the superior authorities an absolute patent on infallibility.

In this context, it is worthwhile to note that in the NOT draft plan a proposal was made to eliminate the legal entry concerning the right of the employee council to withhold the execution of a director's decision if it conflicts with a resolution of the employee council or a resolution of a general meeting of employees, or if it was made without the required polling of the opinion of the employee council. The NOT working group gives the organs of the self-government only the right to appeal in such cases to the founding organ.

In the extreme, the following situation is possible: the director of a plant is a poor manager. The employee council protests against this, but its appeals to the founding organ have no effect. The self-government, powerless in this structure, must bear the consequences of these mistakes by being suspended and the director, who is responsible for being remiss, assumes full authority.

The NOT chairman, ignoring these specific solutions in the interview, limits himself to general statements: "The director is a representative of the state, and thus of society as a whole. The existence of the self-government should not lead to a dyarchy. A good self-government cooperates with the director and strengthens his authority."

/We make such copious comparisons of the text of the interview with the more broadly expounded assumptions of the document in order to express their real sense. What we have said thus far shows that the proposals of the NOT working group diverge from the spirit of the economic reform most sharply on three planes: the structure of the economy, the character of planning and the scope of the self-government./

We likewise have reservations, however, regarding the proposed modifications of financial mechanisms, particularly price-setting. The latter question has evoked much controversy in discussion upon the Sejm commission platform.

Sejm delegate Prof Alojzy Melich, who presented a report, expressed this at a plenary meeting. Emphasizing the complexity of the issue, he indicated however that: "The methods of price-setting demand changes related to shifting over to non-cost formulas of setting them." The NOT working group advises that the opposite avenue be taken, proposing the retaining of costs-related methods in price-setting.

As Chairman A. Kopec maintains in the interview: "...only one-third of the management and engineering-technical cadres understand the principles and mechanisms of economic reform." This estimate is very questionable and in our opinion is unfair to engineers. Apart from the assessment the NOT chairman gives of his member masses, however, it is worthwhile noting that even if such a slight percentage of engineers does understand the economic reform assumptions, that is not an argument that proves that the reform is imperfect.

In some ways this attests to the difficulties in surmounting old habits connected to the use of the former orders system. The economic reform is based on a different approach to management problems than that used in the past. This is a truism, but it must be reiterated.

--The reform is based on freeing the economy from the fetters of the orders system that bound it for years. The reform is based on the creative autonomy of the state enterprise subordinated to the general interests of society.

--At the same time, it is a reform into which are built permanent self-governing mechanisms.

/We cannot eliminate arbitrarily any element of a concept that has been structured so carefully and that, let us note, was approved at the Ninth Extraordinary PZPR Congress./ Thus, extensive changes cannot be made without good reason. In any event, the effectiveness of the new solutions must be checked over a relatively long period of time.

Someone once said in the lobbies that a good physician does not discontinue a medication prematurely, until he knows what its effect will be on a specific ailing organism. Only then does he go to another medication, following good medical practice. The 18-month period of the operation of the economic reform does not warrant, even from the formal viewpoint, such far-reaching modifications, or rather amendments to new laws, such as the modifications proposed by the NOT working group. A responsible captain of the economic vessel that would be so hasty to make revisions, regardless of the character of these changes, would be in danger of being accused of being fickle, impatient and voluntaristic as an official.

The economic reform began and is developing in the most difficult of circumstances, amid the misfortunes of the crisis, growing inflation and vexing economic restrictions imposed on us by some capitalist countries. In this situation, the implementation of the reform is a process that works its way through conflicts and difficulties. We have entered a somewhat unfamiliar road. The fact that it is not well traveled, and that we stumble at every turn does not mean that we should return to a road full of potholes or to one that leads nowhere.

Finally, the NOT chairman, alluding to the "Basic Economic Reform Assumptions" from January 1981 and to the "Program Assumptions for the Ninth Extraordinary PZPR Congress" from April 1981, states: "A number of basic statements included in these documents were not reflected in legal documents or became distorted in practice, producing undesirable economic results. The Ninth Party Congress never recommended inflation or inferior product quality."

It follows from this that the economic reform exacerbates inflation and fosters the production of unsalable goods. This is expressed even more emphatically in the basic document of the NOT working group. /In reality, however, despite the fact that an improvement in management effectiveness on the desired scale is still lacking, the economic barometer is registering fair weather, if every so slowly, not rain and storms./

Even if these changes are not perceived generally, an economist should be aware of them. Meanwhile, if the reform, however, limited and stripped down it may be, begins to have even the slightest effect, it would be a mistake to rearrange things as suggested by the NOT proposals for the system of management. Undoubtedly modifications are needed, but not modifications that violate the supporting structures of the reform.

8536

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SIX-MONTH RESULTS OF FOREIGN TRADE ANALYZED

Comments of Deputy Minister

Warsaw TRYBUNA LUDU in Polish 14 Jul 83 p 2

[Interview with Andrzej Dorosz, deputy minister of foreign trade, by Jan Cipiur, date and place of interview not given]

[Text] The June-July turning point in the economy is a period of analyzing the conformity of the plan adopted at the beginning of the year to the actual results obtained. The half-year pattern provides a reliable basis for evaluating the real possibility of fulfilling the tasks for the entire year. In a discussion with a PAP journalist, Andrzej Dorosz, deputy minister of foreign trade, presented the main results and the trends evident in trade with foreign countries.

[Question] Mr Minister! Do you have available the data for the first 6 months? Can you confirm the opinion that points to an improvement in this ailing sector of the economy?

[Answer] Polish foreign trade turnover calculated in current prices increased during the first half of the year in comparison with the same period of last year by over 17 percent. Thus, improvement is evident, although, of course, an evaluation made on the basis of only the size of this indicator would be rife with error. It would be necessary to at least consider the fact that the comparison period for the current results is that of the first months of stabilization of our foreign trade after the break-off in trade turnover in 1981. On the other hand, it is worth mentioning that this growth occurred in spite of still not-too-favorable domestic conditions.

[Question] Foreign trade is conducted in order to be able to purchase, but first it is necessary to sell. So, what is the situation with exports?

[Answer] They grew by 16.9 percent, attaining a value of 491 billion zlotys, wholly in conformity with the theses of the central annual plan and proportional to the passage of time. This result means that we are overcoming the consequences of the restrictive activities of the West. But this does not mean, certainly, that we have made up for the losses resulting from the sanctions.

In export to the states of the so-called Second Payments Area, certain structural changes have occurred. The sales of the electrical machinery industry to foreign countries has been under criticism for quite a long time. In spite of the progress that has been obvious during the last 2 months, exports of this type of commodity to countries of the Second Payments Area was 3.3 percent lower during the first half in comparison with the same period of last year. The reasons for this are varied--for example, the deficiencies of supply and other allied industry, as well as the reality of the world market continuing to feel the effect of the economic recession.

A still greater drop took place in the export of construction services--by 22.3 percent. This, in turn, is the result of the unfavorable situation on our markets. The shortfalls coming out in this way have been made up for by a 25 percent increase in the export of nonmanufactured goods: coal, copper, silver.

[Question] How is trade turnover with the socialist countries shaping up?

[Answer] The imports from these countries amounted to 251 billion zlotys, and was 6 billion zlotys higher than exports. The excess of imports over exports applies to trade with the USSR.

[Question] It is not difficult to guess why you, Mr Minister, place imports in first place, but according to the plan, and in conformity with the inter-governmental agreement, the so-called unfavorable balance of trade with the USSR was supposed to be much greater.

[Answer] Of course. It can be explained by the following facts. Polish producers are demonstrating a great tendency toward exporting to the USSR, which is connected, for example, with the fact that because of the limitation of possibilities and funds for investments, the domestic demand for machinery and equipment went down. And the structure of our production corresponds to the demands of the Soviet Union. The same factor operates as far as imports are concerned. The interest of our enterprises in deliveries of capital goods from the socialist countries has been reduced. The plants are watching their spending, and on this account, it turns out that it does not pay them to purchase certain raw materials and producer goods with a certain lead time, and to expend money for storing them.

In the second half-year, however, we foresee an acceleration of the dynamics of imports from socialist countries.

[Question] And what are the proportions in turnover with capitalist countries?

[Answer] Just the reverse. Poland exported goods worth 246 billion zlotys and purchased 286 billion zlotys' worth. We therefore note a surplus in turnover with that group of states, and this is at the level that we had planned. Unfortunately, this is only partly the result of an increase in exports, but rather the effect of reduction of imports because of payments difficulties.

Here, I would like to emphasize the significant improvement in supply imports, i.e. an increase in the purchases of replacement parts, subassemblies, and production materials of over 25 percent relative to the first half of last year.

[Question] But if we look at the plan, then the entire imports from the Second Payments Area countries is supposed to be nearly 3 percent higher.

[Answer] We planned on financing imports in part by drawing credits in the amount of about 800 million dollars. Most likely, however, this year, we will obtain no more than 400 million dollars in credits. This causes tension in financing imports from capitalist countries. It is necessary to remember, in this respect, that we are earmarking a part of the returns from exports for debt servicing. These were considerable sums during the first half year.

[Question] The credits would open the opportunity for more rapid progress in the economy, but the hopes for making use of greater sums in this way probably continue to be nil....

[Answer] I notice that the building up of our capabilities for drawing new credits is a very difficult matter and will continue for a long time. The basic conditions are the settlement of the problem of our indebtedness on the basis of long-term solutions and the strengthening of the export condition of the country. This too is going to create bases for stabilizing the payments position. Western experts estimate, for example, that other countries which have a difficult payments situation similar to that of Poland will be able to regain their positions on the international credit market even by the end of this 1-year period.

[Question] It is necessary to depend upon our own forces and not to use reserves. Then, what are the forecasts as far as the total annual foreign trade plan is concerned?

[Answer] In the opinion of the experts of the ministry, we will carry out exports to the first and second payments areas in harmony with the assignments of the plan.

Progress Still Unsatisfactory

Warsaw POLITYKA in Polish (Supplement) No 39, 20 Aug 83 p 17

[Article by Stanislaw Cruzewski: "Foreign Trade After a Half-Year--More but Always too Little"]

[Text] Polish foreign trade turnover during the first half of 1983 was characterized by a relatively high rate of activity. Exports in current prices amounted to 491.3 billion zlotys, and in comparison with the same period of last year, it was 16.9 percent higher. Imports formed up at a level of 437.3 billion zlotys, which is 18 percent higher. The surplus balance thus amounted to 54 billion zlotys. If it were not for the very low basis of reference,

which the first half of 1982 was, these results could even be considered to be very good. The progress made is significant, but undoubtedly insufficient relative to our needs.

In making an evaluation of trade with socialist countries, it is necessary to emphasize that the trend toward a more rapid increase in our exports over imports, which had been observed already during the second half of 1982, not only continued to be maintained, but became even more intense. And thus, during the period of the past 6 months, Polish exports to countries of the First Payments Area rose up to 21.1 percent in comparison with the same period of last year, whereas, imports increased by only 13.5 percent (calculated in current prices, in 1982 prices barely 4.1 percent). In absolute terms, this turnover amounted to 245.6 billion zlotys on the export side, and 231.1 billion zlotys on the import side. Thus, the negative balance was formed on the minimum level of 5.5 billion zlotys. Such a result of turnover during the first half year of the current year is quite a substantial deviation from the values adopted in the Annual Central Plan. It had anticipated the closing of this year's commodity turnover of Poland with the countries of the First Payments Area with a negative balance of payments in the amount of 80.8 billion zlotys. In light of the results obtained during the first half of this year, it is difficult to talk about fulfilling the tasks in accordance with the plan. And it is too bad, because the deviations can have a negative influence on some sectors of our economy. The sore point, of course, is imports, the nonfulfillment of which can result in a reduction of deliveries of goods to the market, and can also reflect unfavorably on supplying industry with the needed raw materials and producer goods, and in this way, it can bring about production difficulties in some factories.

An attempt to achieve the planned negative balance of trade could be made, not only through the intensification of imports during the second half of this year, but also by means of restricting our exports. Nevertheless, it does not appear that such action would bring the desired result. The advancement of the realization of the annual plan for exports already amount to 51.1 percent at the end of June (with a time passage factor of 49.6 percent). At the same time, the plan for imports was realized by 44.7 percent. The difference amount to 6.4 points, and it would be difficult to surmise that it could be balanced out during the second half of this year. Everything indicates that the annual plan for exports to countries of the First Payments Area will be fulfilled with a considerable surplus, whereas, there will be a shortfall of a goodly number of points in the fulfillment of the plan for imports from this area.

The blame for this state of affairs cannot be laid, however, on the Foreign Trade Ministry, which has been doing everything since the beginning of the year to increase purchases in the socialist countries. However, you have to have two willing parties in order for these efforts to bring the desired results. Well, some of our partners are deciding on exports to Poland unwillingly, especially of those goods that are either easy to sell on the domestic market, or are exportable to the capitalist countries. We have, therefore, had at our disposal, a surplus of imports over exports, in truth, not as planned, but relatively high only with the Soviet Union and the German

Democratic Republic. On the other hand, we have a surplus of exports over imports with Bulgaria, Hungary and Romania, and more or less balanced turnover with the other socialist countries.

An additional factor having an unfavorable influence on the status of our trade turnover with the CEMA states is the tendency toward a rise in prices, which has lasted for a long time already, and results from the system that is mandatory in the CEMA countries of setting them on the basis of the average price on the world market for the last 5 years. This trend is currently disadvantageous for Poland, since the increase of prices for goods exported by us is slower than the increase in import prices. The terms of trade factor during the first half of the current year was formed on a level of 98.3.

In turnover with capitalist countries, we are faced with a considerably more rapid increase in imports than exports. During the period of the first 6 months of the current year, exports rose in current prices in comparison with the equivalent period of last year by 13.1 percent, whereas imports grew by 24.8 percent. In absolute numbers, this turnover showed up as follows: the value of exports amounted to 245.7 billion zlotys, and that of imports amounted to 186.2 billion zlotys. The favorable balance of payments showed up on the level of 59.5 billion zlotys, as against the favorable balance of 197 billion zlotys planned for the entire year. The advancement of the realization of the tasks defined in the Central Annual Plan is somewhat lower than the time passage, and amounts to 48.1 percent in exports and just 46.2 percent for imports.

These relatively good results have to be credited mainly to the successful realization of export assignments by raw materials and producer goods industries, such as mining and electric power, the metallurgical, chemical and also the food products industry. With the exception of the chemical industry, not only did they attain a high level of export activities, but likewise a very good advancement of the realization of the annual assignments. Unfortunately, it is not possible to say the same about the electrical machinery industry, which marked a drop of 3.3 percent.

What reasons came about to make this exemplary industry of the 1970's manage the worst of all? I would list the following among the objective reasons:

The application of economic sanctions by Western states. These led to a massive impeding of the license-production trade cooperation developed for several years between the Polish electrical machinery industry and many leading capitalist firms. The products produced by the Polish factories often were supplied directly into the sales network of our licensors. We had such agreements with the West German Grundig firm (for the production and export of tape recorders), with the U.S. Singer firm (for the production and export of sewing machines), and with the French firm Thomson CSF (for the export of electronic equipment). As a result of the creation of an unfriendly atmosphere around Poland after the introduction of martial law, these agreements were broken.

The massive drop in cooperative supply imports from capitalistic countries last year. It led to serious dislocations among many producers, by making it impossible to relieve them from the contract obligations taken. The shipbuilding industry, which has long production cycles, felt these difficulties especially keenly.

A severe worsening of material supply, especially with metallurgical products. This made it impossible in many enterprises to accept new orders from foreign contractors. An unsettling example of this are tool steels, which had once been produced by the domestic metallurgical industry without great difficulty, and today they are just about unattainable.

On the other hand, the following should be listed among the subjective reasons:

The deterioration of the quality of products turned out by this industry, which only in part can be explained by the material-cooperative supply difficulties. The main reason for this occurrence lies in slipshod workmanship, caused by the lack of feeling of responsibility, the still continuous insufficient work discipline, the lack of motivational factors, that force every worker to fight for high quality of products.

The insufficient interest of a party of management and engineering and technical personnel in the development of exports for the difficult capitalist markets caused, on one hand, by a lack of confidence in their own forces and capabilities, and on the other hand, by unwillingness to be inconvenienced. Practically everything that is produced can be sold on the foreign market without too great difficulty, and if not, then it can be exported to the socialist countries, where the requirements are not as strict, so why bother yourself with the troubles of exporting to capitalist countries?

All of these factors taken together bring about the situation where the electrical machinery industry, in spite of potentially great capacities, does not play its proper role in the development of exports. And this means that the main burden of obtaining hard currency has to continue to rest on the exporting of fuels and raw materials. How long is it still possible to keep on doing that?

Along with the electrical machinery industry, the light and construction industries showed retrogression in exports to countries of the Second Payments Area. With respect to the light industry, in consideration of the extraordinarily difficult domestic market situation, the drop had already been assumed in the Central Annual Plan. On the other hand, this industry is realizing its plan assignments with regularity, and even ahead of schedule relative to the passage of time.

The situation in construction exports turns out to be worse, where not only was a serious drop noted in exports during the first half of the current year, (as much as 22.3 percent), but also, a very low advance of the realization of the annual plan (barely 31.0 percent) was recorded. The main reason for such a serious disruption in construction services exports are the payments difficulties of our major partners, Iraq and Libya, and this situation is going to last still longer, for sure.

The rest of the industries, such as the wood or the mineral industries, are realizing their assignments with a certain lag, but they do not play a very important role in exports.

Imports from the Second Payments Area showed a relatively high growth, of about 25 percent during the first half of the year. However, again, in evaluating this indicator, it is necessary to remember that during the first half of 1982, the greatest drop, especially in imports from capitalist countries, was recorded. Nevertheless, the increases in imports during the first half of this year are considerable, in which case, the following industries obtained the greatest deliveries: light, electrical machine , and metallurgical. Over 71.0 percent of the total imports realized in the first half of the year were earmarked for production purposes. In spite of this, even the most urgent needs of many industries could not be satisfied.

The price trends in trade turnover with Second Payments Area countries are also unfortunate for us. During the first half of this year, a drop in the prices of the majority of goods exported by us took place, such as: hard coal, petroleum products, metallurgical products, sulfur, softwood lumber, meat and fish products, and products of the electrical machinery industry. On the other hand, a price increase was recorded only in the export of silver and copper.

In imports, in turn, the prices of cotton, meat, pesticides, tea, and cacao bean rose and the prices of iron, phosphorites, wheat, and barley fell slightly. As a result of the unfavorable price activity for us on the capitalist markets, the terms of trade indicator showed up on the level of 95.3, thus, worse than in the turnover with the First Payments Area. And this means that our losses in prices in foreign trade from both zones amounted to about 17.0 billion zlotys during the first half of this year.

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NEW LAND IMPROVEMENT, IRRIGATION PROGRAM DISCUSSED

Bucharest ERA SOCIALISTA in Romanian No 14, 25 Jul 83 pp 7-10

[Article by Prof Tiberiu Muresan, chairman of the Academy of Agricultural and Forestry Sciences]

[Text] "The completion of the program will assure secure and stable productions under any weather conditions. Only on this basis will it be possible to create the conditions necessary for a modern, high productivity agriculture, and the fulfillment of the agrarian revolution." Nicolae Ceausescu, speech to the Plenary Session of the Central Committee of the RCP, of 29-30 June of this year.

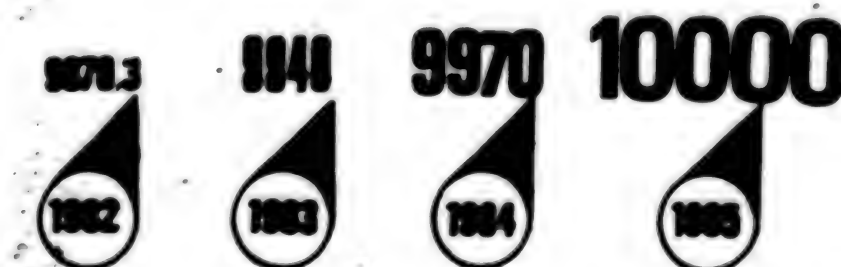
The progress of socialist Romania's agriculture, and the creation of a modern, intensive, high labor productivity agriculture can be successfully achieved through rational land utilization, higher soil fertility, and the introduction of new land into agricultural use. These major features of our party's land policy bring to light the verity that agriculture cannot be conceived without land, and that the practice of an intensive and profitable agriculture requires that land be perceived as what it is--the sole support and source of nutritional elements for plants, and a renewable energy resource.

Organically contained in this concept, as a high quality extension of our party's land policy, is the national program designed to assure a secure and stable production through higher land production potential, improved uniform organization and utilization of agricultural surfaces and of the entire national territory, irrigation of about 55-60 percent of the tillable land, as well as drainage and control of soil erosion--a program approved by the Plenary Session of the Central Committee of the RCP of 29-30 June of this year, and adopted by the Grand National Assembly.

Formulated at the initiative and with the strong contribution of Nicolae Ceausescu, the National Agricultural Program is the broadest project, of unprecedented magnitude, in Romania's history, which will increase the productive potential of the land and result in higher agricultural production, in accordance with the decisions of the 12th Congress and the National Conference of the Party, and which will have profound implications on the

Creșterea suprafeței arabile

-mii hectare-

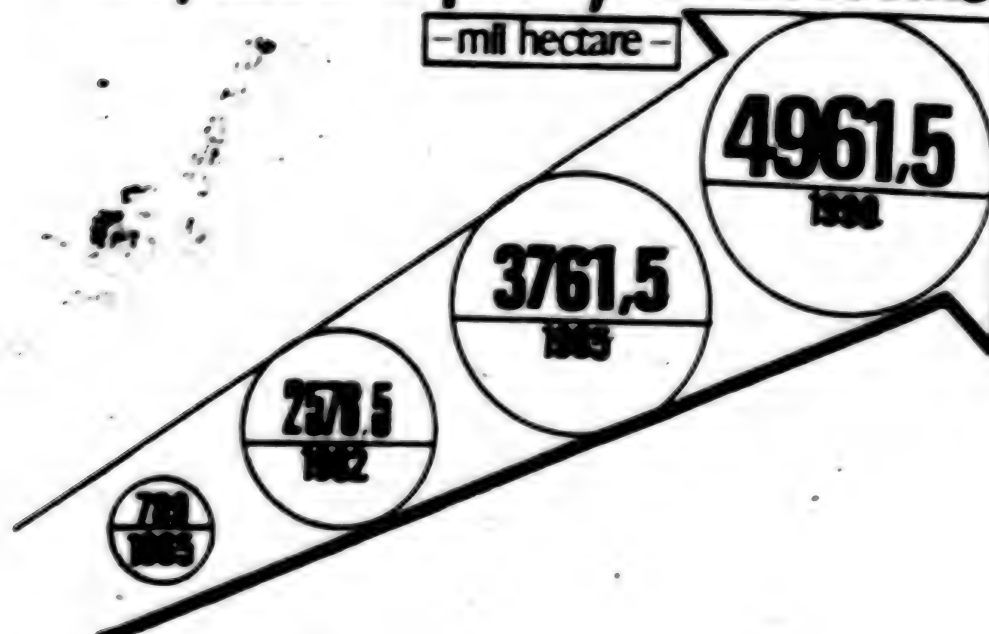


Tillable land growth, thousand hectares

organization of the country's territory, as well as an extraordinary influence on the nation's standard of material and cultural living. The implementation of this vast program for transforming nature--in the words of the secretary general of the party--"will give our country a new appearance and will assure the conditions necessary for a high yield and high productivity agriculture under any conditions, thus achieving the new agrarian revolution."

The goal of the National Agricultural Program is to improve along a unified concept, the country's entire territory, through comprehensive land improvement, water management, soil improvement, and territorial organization projects, all of which will make it possible to raise the productive potential of the land for all categories of use and all holders of agricultural land, thus assuring full exploitation of the conditions created through the expansion of agricultural mechanization and chemification, and the dissemination of plant varieties and hybrids with high production potential. Thus, by the end of the current five-year plan, the country's agricultural area should reach at least 15 million hectares, of which 10 million hectares will be tillable land. The program stipulates that the area prepared for irrigation should reach 4 million hectares by 1985, and 5.5-6 million hectares by 1988-1990. Soil erosion control will cover 3,776,000 hectares by 1990, with the entire surface affected by erosion processes to be protected by 1995. In 1990, nearly 5 million hectares of the 5.5 million that are excessively wet, will have been drained.

Creșterea suprafețelor desecate



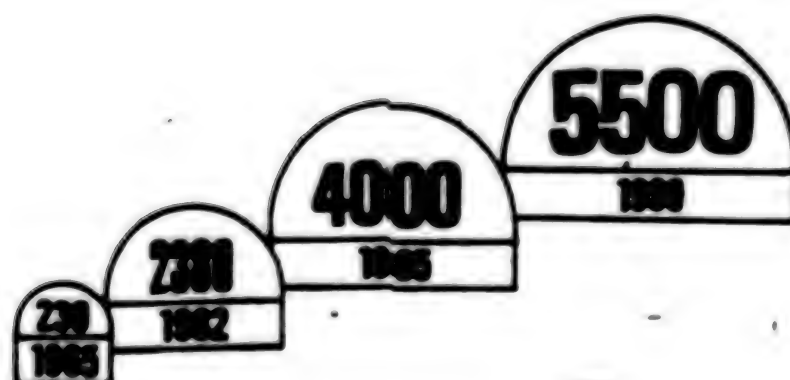
Drained land growth, thousand hectares

The comprehensive nature of the objectives and projects of the National Agricultural Program involve the entire economy and population in the effort made for its fulfillment. The program responds to an objective need determined by the present stage in the development of the national economy and by the quantitative accumulations achieved during previous five-year plans in the development of production forces and the maturation of social relationships; its provisions are organically integrated in the fulfillment of the new agrarian revolution, which seeks to transform agriculture into a modern branch based on the newest advances of science and technology, capable of fully and multilaterally satisfying the population's food consumption requirements, and of substantially contributing to the national income and the country's general progress.

According to some calculations, about 100 billion lei will have to be allocated to this vast program, as well as extensive material means, equipment, means of transportation, and so on. Some 10-15 years ago our country could not have proposed a program of such proportions, given the level of industrial development at that time, and the national economy's ability to allocate the necessary funds and material. Things are entirely different at present, when the strong development of the industry and the general growth in the country's economic potential allow the fulfillment of this program.

Creșterea suprafețelor irigate

-mii hectare-



Irrigated land growth, thousand hectares

During the past decade, the Romanian industry has reached a level of development and technology that places it in a position to endow agriculture with a wide range of equipment, machines, and installations needed to perform the most daring projects for increasing agricultural, vegetal, and animal production.

The formulation of the National Agricultural Program and the implementation of its objectives are based not only on the development of our economy, but also on the experience accumulated in land improvement projects. In accordance with the objectives established by the Ninth Party Congress, national programs have been formulated for executing vast land improvement and water management programs. As a result, by the end of 1982, the area prepared for irrigation has increased by 2,150,000 hectares, the area that has been drained by 1,787,500 hectares, and the area subject to erosion control by 1,468,000 hectares. After completing the National Agricultural Program, Romania will be among the few countries in the world to have improved their entire territory so as to obtain higher, stable, and secure agricultural productions, independently of natural factors.

The whole comprehensive program for improving the productive capability of the land will be based on soil, agrochemical, and land quality distribution studies, and on a knowledge of the productive characteristics of each lot throughout the agricultural surface of the country.

Cresterea suprafețelor amenajate antieroziional

- mil hectare -



Erosion control growth, thousand hectares

What characterizes our party's concept for the protection and conservation of land resources, is a unified, comprehensive approach to soil fertilization. Having set this orientation, the program stipulates the unified execution of land improvement projects in strict correlation with water management, hydroelectric construction, and forestry improvement work in each hydrographic basin.

This creates a framework for protecting all natural resources as a whole, with a better exploitation of the organic interdependence and mutual influence between the agricultural and forestry ecosystems, which are of primordial importance. The existence of forests, and the conservation and development of forestry resources represents one of the vital conditions for the existence of agriculture, for rational land utilization, and hence for increasing agricultural production and satisfying man's food needs. Forests have been and remain the essential factor in soil and water protection. Greater forestation strongly increases the retention of rain water in tree leaves and among dead leaves, almost fully eliminating soil erosion; consequently, the number and intensity of floods and torrential flash floods is reduced.

The new orientation, different from the procedures used until now, assures the comprehensive start and execution of all water management projects. This is particularly significant because given the magnitude and diversity of the

planned projects, half-way actions or the neglect of any factors will prejudice soil fertility to a smaller or greater extent. The experience gained throughout the world provides enough examples of the disastrous consequences created by ignoring soil fertility problems, resulting in extensive areas of fertile and very fertile land partially degraded or fully removed from agricultural use.

The requirements of the National Agricultural Program stipulate, for design and execution activities, the need to formulate documentation for comprehensively solving all problems within a given zone. This is an action of high responsibility, with specialists and designers being asked to soundly analyze in the field, all elements that concern land contours, hydrographic conditions, rainfall, and so on. Only thus will it be possible to formulate comprehensive projects based on unified technical and economic solutions, that will concentrate material and human efforts on the exploitation of local conditions and the concurrent execution of all the work stipulated in the program--recovery of new land, irrigation, drainage, dikes, erosion control, soil salinity, correction of acidity, soil improvement, and so on.

Through the years, our country has accumulated a wealth of experience in designing and implementing water management projects. Close collaboration of all agencies involved in fulfilling the program will assure on schedule all the technical and economic documentation, as well as the technical and material basis qualitatively and quantitatively appropriate for the projects planned at each stage. This will create better conditions for site organization, and for procuring the necessary equipment and materials. Similarly, considering the fact that local work will be carried out over large areas for irrigation, drainage, and erosion control, all the forces and means of agricultural units must be mobilized for the task.

The unified approach to the soil fertility problem does not however, exclude priorities. In fact, the consideration of priorities makes it possible to adopt a unified approach to water management projects. Although all the objectives in the program are equally important, the irrigation work stands out in terms of magnitude and complexity. While the work planned until 1985 does not raise extraordinary problems in providing water resources, the planned expansion of irrigation land to 5.5-6 million hectares in order to create the necessary water sources, does require work whose technical and execution aspects are unprecedented in our country.

Under our country's conditions, the need to irrigate large areas is determined first of all by the annual average rainfall in the major agricultural zones, which ranges between 700 and 900 liters per square-meter in hilly areas, and between 400 and 500 liters in the more fertile areas of Cimpia Romana, Dobrogea, and Moldavia. Normal, rainy, and exceptionally rainy years are succeeded in these areas by isolated or bunched years of drought or exceptional drought, when the rainfall drops under 250 mm. In time, the disastrous consequences of drought have affected various portions of the country, especially Moldavia, north-east Muntenia, south Oltenia, and Dobrogea. Romanian agriculture was badly hit by drought in 1904. Following a

succession of years (1921, 1922, 1924) when the drought was lesser, our country was forced to import grain in 1946-1947 in order to feed the population of the affected areas--Moldavia and Baragan. But along with the damages caused by drought, our agriculture also suffers from excessive water in rainy years. In 1969-1970, 1971, 1972, and 1975, large agricultural areas were flooded, compromising the wheat, corn, and other crops.

Consequently, from a weather standpoint, crop stabilization at a given level requires that irrigation be extended to prevent losses in dry years, while extensive drainage projects have to be executed to remove excess water in wet years. Modern agriculture, being asked to meet contemporary needs, can no longer remain at the level of productions that depend entirely on the whim of the weather from year to year. Today, scientific progress enables a better exploitation of production conditions, a more efficient intervention from man in the soil-water-crop relationship, with resulting intensified agricultural processes. For these reasons, our party and state have formulated a vast program of land improvement for irrigation, which, as has already been mentioned, aims at goals whose technology and execution are extremely complex, so as to create unprecedented sources of water in Romania.

According to the objectives of the program, the work to expand irrigation will be given priority in very dry zones, as part of a national hydrotechnical system, seeking the irrigation of the largest possible areas along furrows, and the use of execution technologies and equipment that will reduce energy, materials, and manpower consumption. As stipulated by the program, greater use will be made of economical solutions of furrow irrigation, of carrying water along contour levels, and of directing it by gravitation.

Since the program stipulates that the irrigation surface is to reach 4 million hectares by 1985--as we have indicated--it appears evident that the rate of project execution needs to be intensified. It is essential to assure a close correlation between the technical endowment necessary for project execution, and the area that is to be prepared for irrigation. At the same time, the very rapid rate at which the irrigation work has to be performed raises the quality level at which preparations are to be made in order to avoid situations in which the pressure of a large volume of work, and the desire to finish it on time, sometimes lead to a neglect of quality. Land improvement projects are actually construction projects of a strong technical nature. But the builders must never forget that the work is performed in order to create better conditions for higher agricultural production.

As an efficient method for obtaining high, stable productions year after year, the value of irrigation lies in its proper exploitation. Our own experience, and that of the rest of the world, confirms the fact that irrigated agriculture requires two essential conditions, which are that the production growth resulting from irrigation assure the recovery of the additional investments and the development of agricultural enterprises, and that irrigation does not degrade the soil. The fulfillment of these requirements, which ultimately determine the profitability of irrigation, demands correct crop cultivation under irrigated conditions, which in turn means rational crop

rotation, working the soil in accordance with its needs, scientific fertilization, using varieties and hybrids with a high production potential, and the rational mechanization of all work. All irrigated systems allow large productions and even two crops per year by using complementary crops and organic fertilizers. But each specialist must be knowledgeable about methods and technologies for irrigated crop cultivation, irrigation rates, and watering techniques, hydrotechnical problems, and the use of equipment.

Scientific research can make greater contributions in the use of subterranean water for irrigation, general water balances in water management systems, the operation of various methods and types of land improvements for irrigation, the evolution of soils in improved areas, and the measures that must be taken to prevent soil degradation.

The National Agricultural Program indicates the primordial importance of water management--drainage, dikes, erosion control, salinity control, correction of soil acidity, and soil improvement--in Romania. Large drainage projects will be carried out throughout the country. As a result, the area of drained land will increase to nearly 5 million hectares in 1990. As a first stage, 1,185,000 hectares will be drained during 1983-1985, and old systems will be completed and rebuilt particularly in the western part of the country, over an area of nearly 460,000 hectares. In order to increase the efficiency of drainage projects, specialists are studying the design and construction of reversible drainage systems, which could also be used for irrigation during dry years.

The improvement actions stipulated by the program are also aimed at acid soil, which cover an extensive area located within and outside of the Carpathian chain, adding up to about 3,160,000 hectares, of which 1,959,000 hectares are tillable. Acid soils yield no more than 700-800 kg of grain or 1000-1200 kg of hay fodder per hectare. These low productions harm not only the economy of agricultural units, but also the average production of agriculture as a whole. That is why the conversion of this low fertility soil to normal production parameters is a major source for production growth.

Experimental research and agricultural practice, particularly in Arges county, have disclosed efficient methods for raising the production of acid soil. Among these are the improvement of chemical properties and acid neutralization with lime correctors, with high doses of chemical fertilizers, with stable wastes, and by introducing corrective crops such as red clover, by breaking up the soil for aeration, and by eliminating excess surface moisture.

The use of this agricultural system has enabled many agricultural units to harvest an average of 3000 kg/ha of wheat and 3500 kg/ha of corn on large area plantings, and much higher productions on some fields. But the potential is even higher, as demonstrated by the agricultural research stations Albota-Arges, Oradea-Bihor, and Livada-Satu-Mare, which have systematically obtained over 3500 kg of wheat and more than 4000 kg of corn per hectare. Such crops can be obtained on the entire area of acid soil in Romania, as long as the techniques established by scientific research and verified in production are applied, which would mean an additional 4-5 million tons of grain.

Of great importance in increasing agricultural production is to increase the production capabilities of eroded land. Due to the specific contour and climate conditions of our country, a rather extensive area of tillable land is affected by strong, very strong, and excessive erosion.

The possibilities for increasing agricultural production on this land are clear when we consider that depending on the degree of erosion, the production potential of eroded soil is from 30 to 60-70 percent lower than that of non-eroded soil. At the same time, the research conducted in various areas of the country demonstrates that about 160 million tons of fertile soil per year are lost on hillside land, which is equivalent to 320,000 tons of nitrogen fertilizer and 240,000 tons of phosphate fertilizer. Because of the loss of nutritional substances and reduction of physical properties, the production per hectare for wheat and corn is low on slopes greater than 20 percent. In addition to this, every year, erosion degradation definitively removes from agricultural use significant areas of tillable land.

To prevent the damaging effects of soil erosion, our state has made significant material and financial efforts that have produced good results. The planned objectives of the National Agricultural Program greatly amplify activities in erosion control. By 1990, some 3,776,000 hectares will be included in erosion control projects, with the entire area of 5.3 million hectares affected by erosion to be included in such projects by 1995. In order to increase its efficiency, all erosion control work will be correlated with the work on torrents in forests and on protection plantings, as well as with water management and territorial organization efforts.

Of particular importance for soil erosion control and the return of eroded land to efficient production capabilities, is the program's provision regarding the dissemination of the valuable experience gained at the Perieni Central Research Station for Erosion Control, in Vaslui County. Consequently, standard belts are being organized in hilly areas, to implement the entire anti-erosion system--territorial organization, contour projects, appropriate crop structure, use of fertilizers, and so on. By implementing this anti-erosion system, the research station mentioned above obtains a production of 3500 kg/ha for wheat and 4500 kg/ha for corn. The wide application of this station's recommendations to the entire area of eroded tillable land would produce an additional 3 million tons of grain, while stopping soil erosion.

Scientific research in agriculture is involved in all aspects of the National Agricultural Program's implementation. It must provide not only technical solutions for various types of projects, but also directly contribute to the dissemination of scientific advances in agricultural practice--a primordial condition for increasing agricultural production. It is well known that Romania has a wide range of natural conditions, an objective situation which does not allow us to carry out a single type of agriculture. This explains among other things, the organization of a strong network of research stations located in the major zones of the country. These stations conduct a sustained research activity that establishes the economic structure of crops, technologies for cultivating recommended types of crops, and the most suitable varieties and hybrids.

But all of these achievements must be disseminated as rapidly as possible in agricultural practice. It will thus be possible to assure the production surplus needed to recover the large investment volume required to execute the projects of the National Agricultural Program. This production surplus can be obtained only by extending into each natural zone the recommendations formulated by the research stations. That is what will make it possible to define in a short period of time, the agricultural systems specific for each zone.

In order to respond to this major demand, we must intensify and amplify the bonds between scientific research, production, and education, thus assuring that scientific research is involved as early as the design stage, in the implementation of the National Agricultural Program.

The fulfillment of the National Agricultural Program is of extraordinary importance to agriculture and to the progress of the national economy; it imposes the participation, under the guidance of party agencies and organizations, of all the peasantry, all village inhabitants, of the working class, specialists, scientists, and the entire population. The union of material and human efforts, accompanied by the affirmation of a high spirit of responsibility in all the actions that will be undertaken, represents a pledge for complete success in this vast and vital work for the development of agriculture.

11,023

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ROLE OF SCIENCE, TECHNOLOGY IN ECONOMIC PROGRESS

Bucharest ERA SOCIALISTA in Romanian No 14, 25 Jul 83 pp 11-14

[Article by Dr Florin-Teodor Tanasescu, director general of the Central Institute for Machine-Tools, Electrical Equipment, and Electronics]

[Text] The scientific policy of the RCP devotes exceptional attention to scientific research, steadily developing year after year the material and human foundations of scientific activities and technical development, and expanding its participation in large national programs. The increased competence of Romanian science is demonstrated by the results of domestic research, which in most cases are replacing licenses and know-how with the economic effects derived from them. The long term investment made in research is now bearing fruit, with Romanian research being capable of offering the solutions which the economy needs, with technical competence, economic efficiency, and in acceptable time spans.

Given the evolution of the world economy, scientific research is faced with a number of complex problems that differ from country to country depending on local objectives, priorities, resources, and restrictions. Some of these elements are now becoming particularly important for Romanian scientific research, requiring that special attention be focused upon them. Referring to scientific and technical engineering activities as a whole, and in particular to the field of electrical equipment in which I work, we must delve deeper into problems regarding a better utilization of domestic resources of raw and other materials, the implementation of technologies that consume little energy and raw materials, the robotization and automation of industrial processes, optimum cost-performance in product manufacturing, the development of new sources of energy, a more rapid introduction of computerization in various domains, higher labor productivity in existing systems or in those for new products and technologies, and lastly--as an underlying feature of the above--the rapid transfer of research results to industry.

It is notable that in science management, Romania has been among the first countries which even before the energy crisis had formulated its own programs for resource inventory and rational utilization--including new sources of energy, that the need to exploit bituminous shale was pointed out here many

years ago, and that the 12th Party Congress adopted a number of important directive documents aimed at research and resources, documents which even today form the basis of Romanian scientific research. In his speech to the Plenary Session of the National Council for Science and Technology in June of this year, Nicolae Ceausescu once more stressed the tasks of scientific research and technical engineering in providing and rationally using raw materials, other materials, and energy resources, modernizing production, and raising the qualitative level of products, goals which will determine the uninterrupted progress of Romania's economy.

One society can be considered superior to another in terms of its level of labor productivity. The entire policy promoted by our party consistently stresses the need to most rapidly increase labor productivity in all areas. In connection with this, at the Plenary Session of the Central Committee of the RCP in June of this year, Nicolae Ceausescu pointed out that: "It must be well understood by all workers that a higher standard of living and higher incomes can be achieved only through greater growth in labor productivity, efficiency, and profitability, and through the general development of the national economy."

Research and Labor Productivity

Scientific research not only offers the possibility, but also has the duty to support the achievement of increasingly higher productivity coefficients. The mechanization and automation of labor, the fabrication of specialized machine-tools with numerical control, and the computerized control of manufacturing processes, offer extensive possibilities in this respect. I believe however, that compared to what is being done to increase labor productivity, research projects should encompass a broader range of problems, involving stronger design staffs which would work concurrently in research, industry, and education. I will discuss some of these aspects below.

New technologies cause significant changes in industrial activities, both from the standpoint of product quality and of productivity. For instance, in the production of tooling in die-making shops--an area in which productivity has to be as high as possible, since that is where new products are being created and where one must achieve the fastest possible execution--it can be stated that the domestic design of spark erosion machines (based on a collaboration between the Institute for Electrical Equipment Research and Design, the Research Institute for Machine Construction Technology, and the Institute for Automation Design) has led to an essential increase in labor productivity. The manufacturing of more than 100 such machines by Electrotimis in Timisoara and Electrotehnica in Bucharest, and their assignment to toolmaking shops, has produced extremely good results: together with the fabrication of high quality products, execution times were reduced 3-15 fold depending on type of part. Here then is an example of how a new technology, designed, rapidly transferred to industry, and widely applied, has provided an essential solution to the need for rapidly increasing labor productivity.

The conclusion to be drawn from this example--and which can be supported by many others--is that given the new demands, we must adopt a new concept about the relationship between new technologies and labor productivity; this concept must be founded on a number of elements, which if not new, must be viewed in a new light. As a matter of fact, many specialists believe that a new technology represents nothing more than "a new consideration of older elements." This cannot be denied, since in fact the majority of the new technologies being used today are based on older elements that could not be implemented when the idea arose because society was not technologically prepared to receive it at that time.

Generalization of some technologies. There is no doubt that many solutions are conceived in research institutes and enterprises, which could lead to higher labor productivity. Among these are applications of ultrasonics, electron beams, lasers, electrostatic and electromagnetic fields, microwaves, and so on. The transfer of these methods to industry and their generalization are unfortunately ponderous, often being faced with indifference and lack of interest in their applications, although paradoxically they offer solutions to the very problems that should be of the greatest interest to industry, problems directly associated with the increasingly better utilization of manpower, higher quality, and so on.

For instance, nitriding installations can significantly increase not only product quality, but labor productivity as well. Although the technical solutions in this field have been provided by research several years ago, only a few installations have been built so far, notwithstanding the fact that the economy's needs are of the order of hundreds and thousands. A similar situation exists for lasers, ultrasonics, and so on, which offer spectacular and rapid solutions for higher labor productivity. The achievement of technical breakthroughs in these areas can lead to a very large increase in labor productivity over a much broader area.

Why do such delays in introducing new technologies persist, especially for such technologies as the ones mentioned above, which are well established and therefore do not require pretesting or improvisations that could affect industrial activities?

In my opinion, the primary cause is that industrial units are insufficiently well acquainted with the new technologies. This is traceable to the institutes or units which formulate a technology, and whose information (documentation, brochures, demonstrations) is either simplistic or lacking altogether. The second cause is that industry is generally slow in "receiving" the new technologies, thus losing the element of novelty and efficiency which can be obtained through rapid application. An attitude of "it's alright the way it is" is probably the most difficult attitude to overcome when a new technology has to be transferred from research to industry. And lastly, we must remember that a new technology inevitably raises a number of problems when it replaces a known, less advanced but well mastered one, even if the new one offers economic advantages that are certain but that entail inherent risks in equipment operation, worker training, and so on.

In another respect, I believe that at a time when technical progress is moving at an explosive rate, too little is being done to further train technical engineering personnel after their studies are completed, although clear regulations do exist for upgrading and retraining. The situation is the more acute since today, a technology required to solve sophisticated problems with complex implications on quality-productivity (in my opinion, this "duality" cannot be split) demands new knowledge in solid state physics, electronics, data processing, and so on, which a school cannot provide as rapidly as the information changes.

In the best case, today's education presents the growth of technologies up to the level available in enterprises. Yet it should be offering the future specialists information for tomorrow's technologies. The very notion of technology has to be changed, to instill into it a complex character of novelty, of breakthrough in a given field, just as its meaning is considered in the world today. For this reason, the schools should be supported not only with machine-tools, but with comprehensive means of investigation, to study those phenomena whose knowledge could lead to technologies capable of revolutionizing the productivity of entire industrial areas. In this way, education could approach problems at the highest level of research, opening new paths leading to solutions which could be further studied by specialists in research and industry and then transferred to industry.

Although conferences organized by research or educational institutes, and sometimes by factories, could fill these needs, they are most often scattered and poorly attended by industry colleagues. I believe that the organization of summer or winter schools attended by the most valuable personnel in research, education, or industry, who would present topics aimed at concrete aspects of quality-productivity, as well as the technical and economic implications of new technology applications, with practical demonstrations, could strongly encourage changes in attitude toward a more rapid introduction of technical progress.

From the standpoint of the future engineers' training, some higher education institutes, such as the electrical engineering schools of Bucharest and of Iasi, as well as some schools in Timisoara, have boldly introduced into their curriculums courses on special or electrical technologies. The results are beginning to be felt, insofar as the concepts of technology-quality-productivity acquire a broader meaning, draw more attention, and develop an interest in creatively approaching such problems.

Data Processing and Labor Productivity

It has become obvious, even for the greatest non-believers, that data processing, through the introduction of computers, has significantly increased labor productivity in economic management or in the reliable, simple, and efficient control of various industrial processes.

In our Institute for Electrical Engineering Research and Design, we are also concerned with the use of computers to solve technical problems of great interest, such as the optimization of copper and iron consumption in an

electrical machine (in the most complicated case, the manufacturing time for a number of motors is reduced by a factor of 2-3), or with the automatic design of parts in products or assemblies, so as to make better use of our available research forces.

Generally speaking, the worldwide trend in the use of computers to solve problems that can influence labor productivity covers several areas in which the new computing technology can produce truly impressive results. One of these areas--in which we are carrying out sustained efforts--is the automated design of various products. Returning to the idea of developing toolmaking shops in plants, I want to show how the existence of computer programs that would enable the automatic design of subassemblies, could also enable a standardization that would optimize solutions and lead to rapid and economic completion of tool design projects.

The possibility of having a tool or part automatically drawn on a screen and rotated in space in all positions, offers the designer the great advantage of being able to take into consideration all the necessary elements that he could otherwise not imagine without extensive trials, which no matter how exact, are far from providing the amount of information that can be stored in a computer memory. The productivity thus achieved in design activities that can reach as far as the plant level, can add up to impressive values and significantly reduce the hours of work devoted to a project. This fully justifies the development of such interest in our data processing, by correlating the efforts of various institutes and focusing them on important aspects which would support a continued growth in labor productivity.

Significant manpower can be made available in industry, particularly at production test stands, by introducing microprocessors in testing operations, thus optimizing quality control and the time required for it. The experience gained during last year in building such stands (for cable or electric motors manufacturing) demonstrates that large reserves still exist in this domain, which if adequately exploited, could considerably increase labor productivity. The automatic determination of product characteristics, the automatic separation of defective items, the automatic printing of test reports, and so on, not only increases labor productivity, but product quality as well, not to mention work efficiency in general.

After specialists had stated for a long time that each percent in economic growth demands approximately a one percent increase in energy requirements, the crisis of the 1970's forced all countries to take decisive measures for reducing energy consumption. In fact, it became possible in recent years to achieve economic growth with greatly reduced energy consumptions.

Scientific Research and the Energy Problem

While matters are rather well defined in the case of conventional sources of energy in terms of organizational measures or activities based on known techniques or technologies (product redesign and technology optimization), the situation of new, unconventional sources is more complicated, since their complexity and expensive conversion technologies raise problems whose access is more difficult for scientific research.

Among the unconventional sources, solar energy is the most tempting because of its wide availability. The solar radiation reaching the earth is about 1 kW per square meter, a figure that gives an estimate of its usefulness. But this availability does not mean accessibility, the price of conversion technologies--whether thermodynamic (heat-electric power) or direct through photovoltaic cells--still being very high. The research carried out in Romania in this field leads to the conclusion that the application of conversion technologies for solar energy in some areas is now economical.

Both is the case for the production of hot water and technical steam with cylindrical-parabolic collectors, and for producing electricity with silicon photocells (for agricultural irrigation pumps, telecommunications, and various power supplies). Calculations have shown that even with the still high prices of silicon photocells, economic applications do exist, especially for power production in isolated areas. In fact, the situation in this field is quite similar to the one that existed for transistors thirty years ago. While transistors were very expensive at that time, their price dropped by a factor of hundreds as technology advanced, thus enabling the extensive applications that are so well known today.

Economic considerations are also at the basis of decisions regarding the utilization of other unconventional energy sources (wind, geothermal sources, biomass, and so on), for which appropriate solutions will however certainly be found with the passage of time.

What position should our research adopt toward these problems? Wait that these solutions be found elsewhere, and then adopt those programs? Or attack at our present stage of research the entire field aimed at these problems? Based on the experience gained from various studies carried out in Romania, I believe that the most opportune approach is to undertake long range research in fundamentals, because it can lead to interesting solutions of high economic efficiency. Moreover, these long range studies contain the potential seeds of new ideas and technologies that can be widely applied in other fields. In fact, I can assert that this approach has provided us with high technology results with rapid applications.

This consideration is also extremely important from another standpoint, namely that of preparing the market and users for the new technologies. Experience has shown that society's acceptance of a new technology for exploiting unconventional sources of energy, can at times represent 10-20 years of research in the economic optimization of solutions, thus imposing a timely preparation of users. This is the more so since the new sources of energy--except nuclear power--will no longer allow the high concentrations of energy with which we are familiar today. They will exist as single, disseminated sources with power levels that will not be impressively high. In other words, we are perceiving a transition from concentrated sources of power to decentralized and scattered ones.

The impact of these new sources on society will cause different reactions in man's adaptation, as well as the need to make them as economical as possible, recoverable as investments over acceptable time periods, and producers of low

power levels. Moreover, their users will have to become accustomed to the idea that these are complementary sources, since it is probable that for some time to come they will still not be able to provide the principal energy supply for various consumers, but rather complement their needs.

Technical-Scientific Innovation and Research

The purpose of research is to create and encourage innovation independently of whether it is called product, technology, or service. But the very notion of innovation can have different meanings: something can be new in the sense that a novel, unprecedented technique has been achieved locally, or it can be a novelty on a broader, more general plane. But there is no question about the value of innovation in either case, if it satisfies various socioeconomic needs.

The worldwide evolution of a field like electrical engineering for instance, has been rapid and profound both in its own context, as well as in terms of the conventional solutions it has offered so far for other scientific disciplines. Solid state physics is a discipline which has changed not only the design of equipment and instruments, but their actual utilization as well. The creation of powerful magnetic materials (based on cobalt or rare earths) has led to the miniaturization of measurement instruments and micromachines. The development of microelectronics based on the spectacular results obtained in recent years, makes it possible to manufacture new components which alter the conventional approaches to automation or process handling. Data processing and computers become fundamental elements in process control and automation, and when combined with mechanical engineering, enable machines (robots) to perform operations which man performs with difficulty or less precisely than required.

It is evident that not all innovations will revolutionize the field in which they are applied or increase the efficiency of an activity. This aspect of innovation requires the creation of an organized framework for intra-disciplinary research. Solutions cannot be optimized without envisaging a unified and often programmed treatment of elements in the various disciplines involved in the fabrication of a product.

When we created in our institute electrical equipment for underwater drilling platforms, we did it in record time (about one-and-a-half years) because we had established specialized groups that could almost concurrently study problems in electric motors, equipment, materials that could withstand special conditions, weather protection technologies, salt water environments, and so on. That is why we were able to work as effectively as we did on the underwater drilling platforms, and in an equal measure that is the approach which must be used to solve the extremely complex priority problems that are facing today's industry and that will certainly face tomorrow's enterprises, problems that will play a much greater role than those that are raised by minor needs. In other words, as the problems of the future are becoming defined, our research institutes should orient their activities in terms of

the systems that need to be studied rather than solely in terms of their separate elements, complementing their structures with specialized groups or establishing close collaborations with other specialized institutes which would investigate parts of the subjects, so as to ultimately obtain integrated solutions in the shortest possible time.

But is it even possible to forecast technical and scientific innovation? The possibility of evaluating future technologic breakthroughs is the subject of many discussions. I side with those who maintain that innovations can be planned ahead. In fact, this has been proven by very correct approximations of extraordinary achievements, such as the moon landing, the computer and electronics revolution, the discovery of substances with totally new properties, and so on.

Genuine, profoundly human innovation is inspired not only by the pressing demands of the present, but also by needs that are becoming defined for the future. For instance, the gradual exhaustion of copper resources raises the question of an electrical machine without copper; just as the decreasing lead resources raise the need to design new electric batteries that would operate on other principles; and so on. It is true that such hypothetical research programs, aimed at longer term goals and with uncertain chances of success, could be perceived with less interest and receive less support than more immediate and serious problems. Nevertheless, I believe that firmer action must be taken about problems of future interest, because the road is a long one and because the answers to these problems can even change the development of the fields in which they arise.

Another point in this respect is the need to protect the results obtained in this type of research. Confrontations on the world market now start much sooner than at the time at which a product is presented; they begin at the design stage. Consequently, the patenting of valuable results--even if intermediate--is a means of protecting priorities, to allow negotiations for patent turnovers, and to efficiently participate in the international exchange of values.

Rate of Production Renewal

A recent statistic of a well-known electrical equipment factory in FRG shows that 38 percent of its production structure consists of products that are less than five years old, 30-35 percent of products that are between five and ten years old, and the remainder of products that are older than ten years. This indicates an extremely important situation, namely the constant mastery of innovative trends, taking into account the possibilities of maintaining technologic priorities, of retaining those products that are still viable, with the consequent savings in manufacturing preparations, and so on.

In the Romanian industry--and I am referring particularly to the electronics and electrical equipment industry--production renewal has been a matter of acute interest, generated by the appearance of new materials and components, and of products based on new principles (controlled rectifiers following the creation of thyristors, new control systems for asynchronous motors following the achievement of power electronics, and so on).

In a past issue of this magazine (Sociopolitical Responsibility for Exploiting the Results of Scientific Research, ERA SOCIALISTA, No 23/1982), we extensively analyzed this problem, delving into the ways and means that could hasten the transfer of technology. I believe that scientific research can act more rapidly to renew current and future production, emphasizing several important aspects:

Multidisciplinary involvement in projects on the part of all the collectives participating in a program, in terms of meeting proposed schedules without excessive shifts in timetables;

Assuring a "horizontal line" created by other ministries, at the time at which research projects are started, so as not to create a situation where economic production cannot be achieved because of inadequate quantities of materials or subassemblies expected from other collaborators;

Maintaining a dynamic balance between the present and the future. In parallel with the adoption of products and technologies essential for industry, research should not overlook the future, the fabrication of tomorrow's products that could assure competitive exportation conditions. The researchers' obligation is to modernize and renew, using the newest principles and ideas known at the time at which a project is formulated or that are boldly discovered;

Support newly created units in which the technical staff is young and in training, but eager for approval--as we have often observed. The creation of joint collectives with specialists from research and industry can form a channel for transmitting advanced techniques from research to new plants, and from older factories to new ones;

Production can be renewed not only on the basis of Romanian design in a given field (education-research-industry), but also based on the designs of other potential participants in scientific programs from socialist and friendly countries. This can lead to a renewal leverage, and at the same time satisfy various needs of the economy such as reduced importations and greater manufacturing capabilities. Several experiences of this type on the part of our institute, in scientific cooperation on electric motors, has shown that this approach, when followed competently and carefully, makes it possible to efficiently and rapidly solve important problems in the economy.

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FINAL ACCOUNT OF 1982 FEDERAL BUDGET

Belgrade SLUŽBENI LIST SFRJ in Serbo-Croatian No 41, 29 Jul 83 pp 1137-1187

[Final account of the 1982 Federal Budget adopted by the SFRY Assembly in a session of the Federal Chamber on 28 July 1983 and signed in Belgrade on 28 July 1983 by Mika Spiljak, chairman of the SFRY State Presidency, and Vojo Srzentic, president of the SFRY Assembly]

[Text] 1. General Section

Article 1

The revenues collected and distributions made of revenues in 1982 are as follows:

Dinars

1) Sum total of revenues collected according to the balance sheet of the federal budget	199,026,175,357.81
2) Sum total of distribution made of revenues according to the balance sheet of the federal budget	198,009,334,913.59
3) Difference between total revenues collected and total distribution made of revenues according to the balance sheet of the federal budget	1,016,840,444.22
4) Total surplus of revenues collected	1,016,840,444.22

Article 2

The surplus of revenues as shown in Article 1 of this final account, in the amount of 1,016,840,444.22 dinars, shall be distributed as follows:

Dinars

1. To the economically underdeveloped republics as follows:	
-- To the Socialist Republic of Bosnia-Herzegovina	82,130,000.00
-- To the Socialist Republic of Montenegro	30,440,000.00
-- To the Socialist Republic of Macedonia	37,430,000.00
2. To the Federal Secretariat for National Defense	410,240,444.22

Dinars

1. To the Federal Committee for Transportation and Communications--to finance the Program for Construction of Projects of Yugoslavia's Radio Relay System	274,400,000.00
2. To the Federal Secretariat for Information--to finance the Program for Construction and Modernization of the Technical Facilities of the Mobile Radio Yugoslavia	36,500,000.00
3. To the Service of the Federal Executive Council for Defense Preparations--to pay off credit to the Military Service for construction of shelters for federal bodies and agencies	90,000,000.00
6. To the Federal Secretariat for Finance--to finance scientific research	6,500,000.00
7. To the Federal Secretariat for Foreign Affairs--for holding the session of UNCTAD	49,200,000.00

Article 3

The survey of the anticipated and collected revenues and survey of anticipated actual distribution of revenues in the balance sheet of the 1982 Federal Budget are as follows:

I. Revenues		I. Revenues		Anticipated by Budget		Anticipated by Rebalanced Budget		Actual	
Classification Number		3		4		5		6	
Revenue Form	Revenue Sub-form								
1	2								
Type 03. Turnover Taxes on Products and Service Charges									
03-1	03-1-1	Turnover tax on products		88,933,000,000.00	83,500,000,000.00	85,229,294,697.31			
		Portion of the basic turnover tax		88,933,000,000.00	83,500,000,000.00	85,229,294,697.81			
		Total Type 03		88,933,000,000.00	83,500,000,000.00	85,229,294,697.81			
Type 05. Fees									
05-1		Administrative fees		639,900,000.00	319,900,000.00	320,576,725.65			
	05-1-1	Consular fees		560,000,000.00	175,000,000.00	176,858,258.95			
	05-1-2	Customs fees		67,000,000.00	125,000,000.00	118,462,606.05			
	05-1-3	Other federal administrative fees		12,900,000.00	19,900,000.00	25,255,861.65			
05-3		Court fees		100,000.00	100,000.00	32,687.75			
		Total Type 05		640,000,000.00	320,000,000.00	320,629,414.40			
Type 06. Customs Duties and Special Charges									
06-1		Duties		18,476,000,000.00	17,928,000,000.00	17,351,902,007.15			
06-2		Special import charges and fees		11,812,000,000.00	11,490,500,000.00	10,963,371,028.10			

I. Revenues (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
	06-2-2	Special surcharge to equalize the tax burden on imported goods		9,686,000,000.00	9,026,036,284.65
	06-2-3	Special surcharge for the keeping of customs records			
	06-2-4	Storage charges on goods stored in customs warehouses		1,799,500,000.00	1,932,447,404.15
			<u>2,000,000.00</u>	<u>5,000,000.00</u>	<u>4,887,339.30</u>
	Total Type 06		<u>30,288,000,000.00</u>	<u>29,418,500,000.00</u>	<u>28,315,273,035.25</u>
	Type 07. Revenues Under Special Federal Enactments, Income of Administrative Agencies and Other Receipts				
07-2		Income of administrative agencies			
	07-2-1	Revenues of federal bodies, agencies and organizations		2,935,000,000.00	3,063,944,124.30
	07-4	Other receipts		2,736,000,000.00	3,063,944,124.30
			<u>900,000,000.00</u>	<u>1,600,000,000.00</u>	<u>1,719,034,086.05</u>
	Total Type 07		<u>3,636,000,000.00</u>	<u>4,535,000,000.00</u>	<u>4,782,978,210.35</u>
	Type 08. Revenues From Other Sociopolitical Communities				
08-1		Contributions of the republics and autonomous provinces			
			<u>80,378,000,000.00</u>	<u>80,378,000,000.00</u>	<u>80,378,000,000.00</u>

I. Revenues (continued)

1	2	3	4	5	6
08-1-1	Contribution of the Socialist Republic of Bosnia-Herzegovina		10,237,100,000.00	10,237,100,000.00	10,237,100,000.00
08-1-2	Contribution of the Socialist Republic of Macedonia		4,508,900,000.00	4,508,900,000.00	4,508,900,000.00
08-1-3	Contribution of the Socialist Republic of Slovenia		13,207,500,000.00	13,207,500,000.00	13,207,500,000.00
08-1-4	Contribution of the Socialist Republic of Serbia proper		19,664,000,000.00	19,664,000,000.00	19,664,000,000.00
08-1-5	Contribution of the Socialist Republic of Croatia		21,644,400,000.00	21,644,400,000.00	21,644,400,000.00
08-1-6	Contribution of the Socialist Republic of Montenegro		1,710,300,000.00	1,710,300,000.00	1,710,300,000.00
08-1-7	Contribution of the Socialist Autonomous Province of Vojvodina		9,050,500,000.00	9,050,500,000.00	9,050,500,000.00
08-1-8	Contribution of the Socialist Autonomous Province of Kosovo		355,300,000.00	355,300,000.00	355,300,000.00
Total Type 08			80,378,000,000.00	80,378,000,000.00	80,378,000,000.00
Total Revenues for Distribution (Types 01-08)			203,875,000,000.00	198,151,500,000.00	199,026,175,157.81

II. Distribution of Revenues

Classification Number		II. Distribution of Revenues		Anticipated by Budget		Anticipated by Rebalanced Budget and Subsequent Changes		Actual	
Distribution Group	Distribution Sub-Group	3		4		5		6	
Basic Purpose 01. Funds for Operation of Administrative Agencies									
01-1	Funds which workers realize as income of the work community								
	01-1-1	5,414,108,911.00		6,986,505,333.05		6,953,785,472.05			
	01-1-2	5,156,284,600.00		6,839,238,202.05		6,806,118,341.05			
01-2	Funds for social services								
		257,824,311.00		147,267,131.00		147,267,131.00			
01-3	Funds for material costs								
		486,094,329.00		550,500,174.25		543,899,228.80			
01-3-1	Funds for special purposes								
		8,921,206,836.00		7,542,244,941.70		7,450,411,892.59			
		Funds for personal incomes and other personal benefits of officials and delegates							
01-3-2	327,375,917.00		385,957,053.00		383,472,126.70				
	01-3-3	3,625,344,230.00		2,385,688,994.70		2,308,017,753.14			
01-3-4	Funds for general public purposes								
		3,880,080,732.00		3,849,392,264.00		3,837,816,189.85			
01-4	Current financing of federal directorates for commodity reserves								
		1,088,405,957.00		921,206,630.00		921,106,720.00			
		1,730,607,555.00		1,474,201,750.00		1,474,201,750.00			
Total Basic Purpose 01		16,552,017,631.00		16,553,452,199.00		16,421,889,240.54			

II. Distribution of Revenues (continued)

1	2	3	4	5	6
		Basic Purpose 05. Obliga- tions To Finance the Social Services			
05-9		For old-age and disabili- ty insurance	31,637,582,400.00	30,557,582,400.00	30,557,582,400.00
05-11		For welfare of disabled veterans	<u>7,277,900,600.00</u>	<u>8,377,900,600.00</u>	<u>8,377,900,600.00</u>
		Total Basic Purpose 05	<u>38,935,483,000.00</u>	<u>38,935,483,000.00</u>	<u>38,935,483,000.00</u>
		Basic Purpose 06. Other General Public Purposes			
06-2		To sociopolitical orga- nizations	748,947,000.00	704,203,000.00	694,547,566.40
06-11		Compensation of the So- cial Accounting Service	<u>233,298,000.00</u>	<u>220,698,000.00</u>	<u>220,698,000.00</u>
		Total Basic Purpose 06	<u>982,245,000.00</u>	<u>924,901,000.00</u>	<u>915,245,566.40</u>
		Basic Purpose 07. Funds for the Federal Reserve			
07-1		Appropriations to the permanent budgetary reserve	343,366,800.00	193,366,800.00	193,366,800.00
07-2		Current budgetary re- serve	<u>394,290,569.00</u>	<u>198,417,001.00</u>	<u>197,652,486.00</u>
		Total Basic Purpose 07	<u>737,657,369.00</u>	<u>391,783,801.00</u>	<u>391,019,286.00</u>

II. Distribution of Revenues (continued)

	1	2	3	4	5	6
Basic Purpose 08. Funds Placed in Time Accounts and Set Aside. Obligations and Other Purposes of Interest to the Federation						
Obligations based on credit				3,168,600,000.00	3,814,400,000.00	2,814,348,653.35
Other obligations from past years				3,168,600,000.00	3,814,400,000.00	2,814,348,653.35
Total Basic Purpose 08				3,168,600,000.00	3,814,400,000.00	2,814,348,653.35
Total Revenues Distributed and Undistributed				203,875,000,000.00	198,151,500,000.00	198,009,334,913.59

II. Detailed Section

Article 4

The revenues of the 1982 Federal Budget anticipated and collected are as follows:

- | | |
|-------------------------------|--------------------|
| 1. Total revenues anticipated | 198,151,500,000.00 |
| 2. Total revenues collected | 198,009,339,913.59 |

Article 5

The survey of the anticipated and actual distribution by those disbursing and those using the funds, by purposes and code numbers of the distribution subgroups is as follows:

Article 5 (continued)

Item No.	Distribution Group or Subgroup	Basic and Detailed Purpose	Anticipated		Actual
			By Annual Budget	By Rebalanced Budget and Subsequent Amendments	
1	2	3	4	5	6
SECTION 1. STATE PRESIDENCY OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA					
Title 1. State Presidency					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
1	01-1-1	Funds for personal incomes of personnel	46,316,632.00	62,815,417.00	62,815,417.00
2	01-2	Funds for material costs	797,600.00	797,600.00	796,969.90
3	01-3-1	Funds for personal incomes and other personal benefits of officials	8,261,142.00	10,366,744.00	10,206,152.85
4	01-3-2	Funds for separation from family	646,056.00	616,056.00	616,000.00
5	01-3-2	Traveling expenses	1,495,500.00	1,220,000.00	1,220,000.00
6	01-3-2	Office supplies	997,000.00	1,602,200.00	1,602,200.00
7	01-3-2	Postage, telegraph and telephone	1,196,400.00	1,196,400.00	1,120,702.25
8	01-3-2	Public relations	797,600.00	877,900.00	877,900.00
9	01-3-2	Trips and visits	7,976,000.00	12,976,000.00	12,975,640.50
10	01-3-2	Remuneration of nonstaff personnel	99,700.00	20,000.00	14,841.25
11	01-3-2	Subscription to official gazettes, magazines and newspapers	598,200.00	598,200.00	554,474.80

Article 5 (Continued)

1	2	3	4	5	6
12	01-3-2	Costs of manufacturing medals and decorations	9,970,000.00	9,970,000.00	9,969,677.00
13	01-3-2	Costs of services	39,860.00	39,860.00	38,967.35
14	01-3-2	Lump-sum payment to chauffeurs for irregular working hours	1,016,880.00	686,880.00	686,880.00
15	01-3-2	Purchase of uniforms and work clothes	76,760.00	76,760.00	77,895.00
16	01-3-2	Addition to equipment and furnishings	498,500.00	498,500.00	445,581.30
17	01-3-2	Expenses of the Federal Council for Protection of the Constitutional Order	99,700.00	99,700.00	88,727.80
18	01-3-2	Expenses of the National Defense Council	79,760.00	79,760.00	75,393.80
Total Basic Purpose 01			80,986,310.00	104,540,997.00	104,171,087.35
Total Title 1			80,986,310.00	104,540,997.00	104,171,087.35
Title 2. Department for Entertainment Facilities of the SFRJ State Presidency					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
19	01-1-1	Funds for personal incomes of personnel	17,542,215.00	24,006,129.00	24,006,129.00
20	01-2	Funds for material costs	11,661,909.00	11,661,909.00	11,661,909.00
21	01-3-1	Funds for personal incomes and other personal benefits of officials	594,212.00	514,212.00	514,212.00

Article 5 (continued)

1	2	3	4	5	6
22	01-3-2	Traveling expenses in Yugoslavia and abroad	119,640.00	79,640.00	79,640.00
23	01-3-2	Addition to furnishings	697,900.00	187,900.00	187,900.00
24	01-3-2	Costs of maintaining structures and furnishings			
25	01-3-2	Personal incomes of personnel	2,691,900.00	3,791,900.00	3,791,000.00
26	01-3-2	Compensation for overtime	398,800.00	318,800.00	318,800.00
27	01-3-2	Remuneration of nonstaff personnel	697,900.00	4,400,900.00	4,400,900.00
28	01-3-2	Costs of maintaining and using the special train	897,300.00	717,300.00	717,300.00
			<u>19,940,000.00</u>	<u>14,197,000.00</u>	<u>14,197,000.00</u>
		Total Basic Purpose 01			
			<u>55,241,776.00</u>	<u>59,875,690.00</u>	<u>59,874,700.00</u>
		Total Title 2			
			<u>55,241,776.00</u>	<u>59,875,690.00</u>	<u>59,874,790.00</u>
		TOTAL SECTION 1 (Items 1 through 28)			
			136,228,086.00	164,416,687.00	164,045,877.55
		SECTION 2. SPRY ASSEMBLY			
		Title 1. SPRY Assembly			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
29	01-1-1	Funds for personal incomes of personnel	169,589,700.00	228,676,833.00	228,676,833.00
30	01-2	Funds for material costs	2,492,500.00	2,492,500.00	2,492,500.00

Article 5 (continued)

1	2	3	4	5	6
11	01-3-1	Funds for personal incomes and other personal benefits of officials and delegates	161,366,400.00	190,076,210.00	189,277,071.00
12	01-3-2	Postage, telegraph and telephone	6,679,900.00	8,094,900.00	7,940,024.95
13	01-3-2	Compensation for overtime	7,537,320.00	10,050,320.00	10,002,825.60
14	01-3-2	Remuneration of nonstaff personnel	1,990,000.00	1,200,000.00	847,671.00
15	01-3-2	Operating expenses of delegates and bodies of the assembly	31,898,000.00	29,000,000.00	27,770,762.70
16	01-3-2	Purchase of domestic and foreign books	299,100.00	240,900.00	247,153.60
17	01-3-2	Subscription to official gazettes, bulletins and magazines	1,246,250.00	1,246,250.00	1,214,000.00
18	01-3-2	Distribution of transcripts	3,988,000.00	1,000,000.00	999,948.00
19	01-3-2	Preparation of publications of the SFRY Assembly, reports, bulletins and other assembly material	4,985,000.00	2,985,000.00	2,811,357.90
20	01-3-2	Expenses of parliamentary delegations	6,979,000.00	5,000,000.00	4,816,940.00
21	01-3-2	Public relations	897,300.00	197,100.00	251,223.00
22	01-3-2	Purchase of clothing and footwear	197,600.00	797,600.00	671,008.25
23	01-3-2	Membership dues in the Interparliamentary Union	648,050.00	921,028.00	921,027.85
24	01-3-2	Services rendered by others	398,800.00	798,800.00	611,502.55
25	01-3-2	Costs of maintaining the motor pool	8,973,000.00	7,700,022.00	7,690,610.45

Article 5 (continued)

1	2	3	4	5	6
46	01-3-2	Print shop costs			
47	01-3-2	Purchase of equipment and adaptation	5,985,000.00	6,485,000.00	8,908,761.20
48	01-3-2	Participation in preservation of the permanent collection of the Museum of the First and Second Sessions of AVNOJ [Anti-fascist Council of the National Liberation of Yugoslavia]	8,474,500.00	4,000,000.00	3,525,666.70
49	01-3-2	Preparation of topic reports, analyses and detailed studies	1,794,600.00	1,794,600.00	1,794,600.00
50	01-3-2	Office supplies, small stock items, paper and other expendable materials	299,100.00	--	--
51	01-3-2	Expenses of the Commission of the Federal Chamber of the SFRY Assembly in preparation of the Law on the Basic Rights Under Old-Age and Disability Insurance	9,970,000.00	17,586,100.00	17,552,520.90
52	01-3-2	Expenses of the Commission for Monitoring Implementation of the Law on Associated Labor	498,500.00	198,500.00	69,416.00
53	01-3-2	The Tito Scholarship Fund for Young Workers and Workers' Children of Yugoslavia	498,500.00	230,000.00	211,152.00
			398,800.00	398,800.00	398,800.00

Article 5 (continued)

1	2	3	4	5
56	01-3-2	Commission for Preparation of the Law on the Bases of Socioeconomic Relations in the Management and Economic Employment of Resources for Expanded Reproduction	299,100.00	199,100.00
55	01-3-2	Costs of holding elections and of recall	35,892,000.00	35,892,000.00
Total Basic Purpose 01			475,880,066.00	552,823,863.55
Total Title 1			475,880,066.00	552,823,863.55
Title 2. Bureau for Petitions and Proposals				
Basic Purpose 01--Funds for Operation of Administrative Agencies				
56	01-1-1	Funds for personal incomes of personnel	9,973,989.00	11,743,381.00
57	01-2	Funds for material costs	348,950.00	38,620.00
58	01-3-1	Funds for personal incomes and other personal benefits of officials	1,074,766.00	1,378,331.00
59	01-3-2	Assistance to petitioners	54,835.00	--
60	01-3-2	Addition to equipment and furnishings	54,835.00	--
Total Basic Purpose 01			11,507,376.00	13,528,135.85
Total Title 2			11,507,376.00	13,528,135.85

Article 5 (continued)

1	2	3	4	5	6
		Title 3. Secretariat for Legislation of the SFRY Assembly			
		Basic Purpose 01--Funds for Operation of Adminis- trative Agencies			
61	01-1-1	Funds for personal incomes of personnel	6,488,476.00	8,415,243.00	8,415,243.00
62	01-2	Funds for material costs	179,460.00	179,460.00	179,460.00
63	01-3-1	Funds for personal incomes and other personal bene- fits of officials	1,486,527.00	1,987,532.00	1,987,532.00
		Total Basic Purpose 01	8,154,463.00	10,582,235.00	10,582,235.00
		Total Title 3	8,154,463.00	10,582,235.00	10,582,235.00
		TOTAL SECTION 2 (Items 29 through 63)	495,541,901.00	581,652,634.00	576,984,234.40
		SECTION 3. COUNCIL OF THE FEDERATION			
		Basic Purpose 01--Funds for Operation of Adminis- trative Agencies			
64	01-1-1	Funds for personal incomes of personnel	17,543,212.00	22,670,196.00	22,670,196.00
65	01-2	Funds for material costs	428,710.00	644,245.00	641,780.75

Article 5 (continued)

1	2	3	4	5	6
66	01-3-1	Funds for personal incomes and other personal benefits of officials and individuals with special status	45,448,245.00	45,439,835.00	45,400,395.00
67	01-3-2	Lump-sum payment to chauffeurs for irregular working hours	861,408.00	861,408.00	785,852.00
68	01-3-2	Traveling expenses in Yugoslavia	658,020.00	323,020.00	306,655.50
69	01-3-2	Traveling expenses abroad	69,790.00	--	--
70	01-3-2	Postage, telegraph and telephone	498,500.00	698,500.00	648,406.90
71	01-3-2	Subscription to informative materials and miscellaneous	697,900.00	697,900.00	612,832.85
72	01-3-2	Public relations	89,730.00	9,730.00	8,489.50
73	01-3-2	Reimbursement of expenses to members of the Council of the Federation for use of a portion of their dwelling to conduct official business	583,245.00	555,000.00	551,250.00
74	01-3-2	Purchase of clothing and footwear	119,640.00	217,140.00	208,866.45
75	01-3-2	Purchase of equipment	59,820.00	59,820.00	59,820.00
Total Basic Purpose 01			67,058,220.00	72,176,794.00	71,913,954.95
TOTAL SECTION 3 (Items 64 through 75)			67,058,220.00	72,176,794.00	71,913,954.95

Article 5 (continued)

1	2	3	4	5	6
		SECTION 4. FEDERAL EXECUTIVE COUNCIL			
		Title 1. Federal Executive Council			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
76	01-1-1	Funds for personal incomes of personnel	88,129,815.00	116,320,033.00	116,320,033.00
77	01-2	Funds for material costs	2,392,800.00	2,742,800.00	2,714,421.65
78	01-3-1	Funds for personal incomes and other personal benefits of officials	21,206,190.00	25,802,285.00	25,644,563.75
79	01-3-2	Compensation for separation from family	1,184,436.00	1,522,453.00	1,508,500.00
80	01-3-2	Remuneration of nonstaff personnel	249,250.00	249,250.00	162,535.00
81	01-3-2	Office supplies	199,400.00	499,400.00	464,003.05
82	01-3-2	Subscription to newspapers, magazines and other publications	797,600.00	1,174,600.00	1,087,565.70
83	01-3-2	Postage, telegraph and telephone expenses of officials	1,994,000.00	2,444,000.00	2,444,000.00
84	01-3-2	Traveling and moving expenses in Yugoslavia	2,791,600.00	3,891,600.00	3,819,564.60
85	01-3-2	Costs of leasing compartments on the Yugoslav Railroad	3,190,400.00	2,813,400.00	2,812,544.00
86	01-3-2	Traveling expenses abroad	17,946,000.00	19,046,000.00	19,046,000.00
87	01-3-2	Expendable materials and furnishings	199,400.00	129,400.00	3,117.40

Article 5 (continued)

1	2	3	4	5	6
88	01-3-2	Printing and copying of material for meetings	7,976,000.00	15,946,000.00	15,932,374.55
89	01-3-2	Purchase of equipment	11,964,000.00	7,964,000.00	7,953,958.10
90	01-3-2	Funds for the operating needs of the CEPA Commission	1,994,000.00	1,494,000.00	1,494,000.00
91	01-3-2	Public relations	2,991,000.00	2,991,000.00	2,985,681.55
92	01-3-2	Expenses of international cooperation	10,967,000.00	10,467,000.00	10,045,943.25
93	01-3-2	Operating expenses of the Federal Legal Council	498,500.00	398,500.00	366,316.20
94	01-3-2	Operating expenses of the Federal Economic Council	498,500.00	498,500.00	311,744.55
95	01-3-2	Expenses of the technical staff services of the Federal Executive Council	299,100.00	299,100.00	291,660.00
96	01-3-2	Operating expenses of the Federal Social Council for Affairs of the Social System	2,982,027.00	3,032,027.00	2,876,430.70
97	01-3-2	Operating expenses of the Federal Council for International Relations	1,395,800.00	795,800.00	714,677.75
98	01-3-2	Operating expenses of the Council for Economic Development and Economic Policy	2,991,000.00	3,291,000.00	3,271,212.35
99	01-3-2	Operating expenses of the Council for Environmental Protection and Land Use Planning	4,985,000.00	2,735,000.00	2,577,772.05

Article 5 (continued)

1	2	3	4	5	6
100	01-3-2	Operating expenses of the Commission of the Federal Executive Council for Relations With Religious Communities	448,650.00	248,650.00	240,769.05
101	01-3-2	Operating expenses of the Nuclear Energy Commission	697,900.00	197,900.00	97,079.00
102	01-3-2	Operating expenses of the Yugoslav Commission for Cooperation With UNESCO	4,985,000.00	5,285,000.00	5,255,705.20
103	01-3-2	Membership dues in international organizations	33,696,606.00	30,696,606.00	30,694,059.75
104	01-3-2	Scholarships	239,280.00	239,280.00	183,521.40
105	01-3-2	Refurbishing and equipping official housing units	1,844,450.00	1,844,450.00	1,778,328.85
106	01-3-2	Compensation for overtime	1,196,400.00	2,896,400.00	2,889,052.00
107	01-3-2	Operating expenses of the Yugoslav Commission for Cooperation With the United Nations International Children's Education Fund (UNICEF)	9,970,000.00	12,401,320.00	12,259,400.80
108	01-3-2	Operating expenses of the Yugoslav Commission for Cooperation With the United Nations Food and Agriculture Organization	498,500.00	498,500.00	485,263.70
109	01-3-2	SFRY's contribution to the United Nations Food and Agriculture Organization (FAO)	35,991,700.00	35,991,700.00	35,974,984.95

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
110	01-3-2	Operating expenses of the Yugoslav Commission for Protection Against Pollution of the Sea and Inland Waterways	358,920.00	8,920.00	--
111	01-3-3	Funds for operation of the Fund of Solidarity With the Nonaligned Countries and Developing Countries	1,595,200.00	345,200.00	221,206.95
112	01-4	Noneconomic investment projects	1,730,607,555.00	1,474,201,750.00	1,474,201,750.00
Total Basic Purpose 01			2,011,952,979.00	1,791,402,824.00	1,789,129,840.85
Total Title 1			2,011,952,979.00	1,791,402,824.00	1,789,129,840.85
Title 2. Protocol Department of the Federal Executive Council					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
113	01-1-1	Funds for personal incomes of personnel	2,269,172.00	2,885,200.00	2,885,200.00
114	01-2	Funds for material costs	94,715.00	94,715.00	82,824.25
115	01-3-2	Compensation for overtime	119,640.00	19,640.00	16,090.00
116	01-3-2	Public relations	6,979.00	6,979.00	2,034.50
117	01-3-2	Purchase of uniforms	14,955.00	14,955.00	14,955.00
Total Basic Purpose 01			2,505,461.00	3,021,489.00	3,001,103.75
Total Title 2			2,505,461.00	3,021,489.00	3,001,103.75

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
		Title 3. Department for Personnel Affairs			
		Basic Purpose 01--Funds for Operation of Adminis- trative Agencies			
118	01-1-1	Funds for personal incomes of personnel	2,917,222.00	3,518,033.00	3,484,215.00
119	01-2	Funds for material costs	164,505.00	227,505.00	212,965.00
120	01-3-1	Funds for personal incomes and other personal bene- fits of officials	563,305.00	721,027.00	721,027.00
121	01-3-2	Funds for personal incomes and other personal bene- fits of officials await- ing reassignment and per- sons with special status	24,842,249.00	28,104,490.00	27,976,046.90
122	01-3-2	Compensation for separa- tion from family	83,748.00	20,748.00	15,060.00
		Total Basic Purpose 01	28,571,029.00	32,591,803.00	32,409,313.90
		Total Title 3	28,571,029.00	32,591,803.00	32,409,313.90

Article 5 (continued)

1	2	3	4	5	6
		Title 4. Department of the Federal Executive Council for Defense Pre- parations			
		Basic Purpose 01--Funds for Operation of Adminis- trative Agencies			
123	01-1-1	Funds for personal incomes of personnel	7,263,145.00	9,046,929.00	8,997,151.00
124	01-2	Funds for material costs	448,650.00	428,650.00	391,771.65
125	01-3-1	Funds for personal incomes and other personal bene- fits of officials	488,530.00	703,671.00	703,671.00
126	01-3-2	Service charge for im- provement of operations and the organization of work	39,880.00	--	--
		Defense-related projects	22,931,000.00	17,231,000.00	17,148,251.85
127	01-3-3		31,171,205.00	27,410,250.00	27,240,845.50
		Total Basic Purpose 01	31,171,205.00	27,410,250.00	27,240,845.50
		Total Title 4	2,074,200,674.00	1,854,426,366.00	1,851,781,104.00
		TOTAL SECTION 4 (Items 76 through 127)			

Article 5 (continued)

1	2	3	4	5	6
SECTION 5. CONSTITUTIONAL COURT OF YUGOSLAVIA					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
128	01-1-1	Funds for personal incomes of personnel			
129	01-2	Funds for material costs	15,432,563.00	20,107,610.00	19,661,290.00
130	01-3-1	Funds for personal incomes and other personal benefits of officials	947,150.00	1,470,240.00	1,462,741.35
131	01-3-2	Compensation for separation from family	8,867,318.00	10,975,771.00	10,975,771.00
132	01-3-2	Costs of proceedings	418,740.00	507,500.00	507,500.00
133	01-3-2	Publication of the Reports of Decisions and Opinions of the Constitutional Court of Yugoslavia	239,280.00	169,280.00	160,293.00
134	01-3-2	Traveling expenses abroad	947,150.00	740,000.00	736,893.65
135	01-3-2	Per diems of chauffeurs	79,760.00	54,760.00	42,469.20
136	01-3-2	Lump-sum payment to chauffeurs for irregular working hours	59,820.00	9,820.00	6,664.00
137	01-3-2	Purchase of clothing and footwear	162,511.00	332,511.00	331,123.00
138	01-3-2	Purchase of and addition to equipment	14,955.00	14,955.00	14,954.00
139	01-3-2	Expenses of delegation visits	99,700.00	--	--
140	01-3-2	Public relations	99,700.00	9,700.00	--
			199,400.00	59,400.00	52,065.60

Article 5 (continued)

1	2	3	4	5	6
141	01-3-2	Costs of holding international European conferences of constitutional courts	149,550.00	49,550.00	46,959.00
		Total Basic Purpose 01	27,717,597.00	34,501,097.00	33,998,723.80
		TOTAL SECTION 5 (Items 128 through 141)	27,717,597.00	34,501,097.00	33,998,723.80
		SECTION 6. FEDERAL COURT			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
142	01-1-1	Funds for personal incomes of personnel	17,538,227.00	20,223,993.00	20,223,993.00
143	01-2	Funds for material costs	2,612,140.00	2,112,140.00	2,057,048.65
144	01-3-1	Funds for personal incomes and other personal benefits of officials	8,428,638.00	10,570,218.00	10,531,374.45
145	01-3-2	Compensation for separation from family	251,244.00	294,044.00	294,000.00
146	01-3-2	Publication of the Reports of Court Decisions	398,800.00	370,000.00	370,000.00
147	01-3-2	Traveling expenses in Yugoslavia	149,550.00	99,550.00	34,003.00
148	01-3-2	Traveling expenses abroad	164,505.00	164,505.00	--
149	01-3-2	Translation into the languages of the nationalities and ethnic minorities			
150	01-3-2	Costs of court proceedings	19,940.00	19,940.00	19,800.00
			24,925.00	24,925.00	24,400.00

Article 5 (continued)

1	2	3	4	5	6
151	01-3-2	Purchase of and addition to equipment	199,400.00	199,400.00	101,017.70
152	01-3-2	Current maintenance of building and furnishings	797,600.00	782,600.00	35,961.00
153	01-3-2	Expenses of visits by foreign delegations	199,640.00	119,640.00	--
154	01-3-2	Public relations	99,700.00	99,700.00	37,884.30
155	01-3-2	Awards and compensation of lay judges	29,910.00	80,910.00	40,904.80
156	01-3-3	Defense-related projects	99,700.00	99,700.00	2,085.95
		Total Basic Purpose 01	30,993,919.00	35,261,265.00	33,772,472.85
		TOTAL SECTION 6 (Items 142 through 156)	30,993,919.00	35,261,265.00	33,772,472.85

SECTION 7. FEDERAL PUBLIC PROSECUTOR'S OFFICE

Basic Purpose 01---Funds for Operation of Administrative Agencies

157	01-1-1	Funds for personal incomes of personnel			8,255,450.00
158	01-2	Funds for material costs	6,706,819.00	8,255,450.00	548,274.10
159	01-3-1	Funds for personal incomes and other personal benefits of officials	548,350.00	548,350.00	
160	01-3-2	Compensation for separation from family	4,618,104.00	6,098,290.00	6,098,290.00
161	01-3-2	Traveling expenses abroad	239,280.00	429,280.00	425,454.40
162	01-3-2	Translation of court documents from and into foreign languages	99,700.00	247,700.00	274,508.60
			129,610.00	--	--

Article 5 (continued)

1	2	3	4	5	6
163	01-3-2	Costs of holding conferences and of monitoring and studying social relations and trends	149,550.00	19,600.00	19,328.30
164	01-3-2	Traveling expenses in Yugoslavia	99,700.00	60,000.00	50,462.40
165	01-3-2	Expenses of visits by foreign delegations	219,340.00	293,340.00	293,109.10
166	01-3-2	Public relations	39,880.00	20,080.00	20,009.00
167	01-3-3	Defense-related projects	19,940.00	--	--
Total Basic Purpose 01			12,870,273.00	15,999,090.00	15,984,885.90
TOTAL SECTION 7 (Items 157 through 167)			12,870,273.00	15,999,090.00	15,984,885.90
SECTION 8. FEDERAL SO-LICITOR GENERAL'S OFFICE					
Basic Purpose 01---Funds for Operation of Administrative Agencies					
168	01-1-1	Funds for personal incomes of personnel	4,456,590.00	5,939,488.00	5,939,488.00
169	01-2	Funds for material costs	338,980.00	388,980.00	373,881.30
170	01-3-1	Funds for personal incomes and other personal benefits of officials	1,693,903.00	1,829,803.00	1,829,803.00
171	01-3-2	Costs of trial and executive proceedings and of representation in Yugoslavia	29,910.00	29,910.00	5,685.00

Article 5 (continued)

1	2	3	4	5	6
172	01-3-2	Costs of conducting trials abroad and traveling expenses	683,942.00	453,282.00	--
173	01-3-2	Expenses of visits by foreign delegations	19,940.00	--	--
174	01-3-2	Public relations	4,985.00	4,985.00	2,975.00
175	01-3-2	Costs of meetings	199,400.00	100,000.00	--
176	01-3-3	Defense-related projects	9,970.00	9,970.00	1,234.00
		Total Basic Purpose 01	7,437,620.00	8,756,418.00	8,153,066.90
		TOTAL SECTION 8 (Items 168 through 176)	7,437,620.00	8,756,418.00	8,153,066.90
		SECTION 9. FEDERAL PUBLIC DEFENDER OF SELF-MANAGEMENT LAW			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
177	01-1-1	Funds for personal incomes of personnel	3,544,335.00	4,261,447.00	4,261,447.00
178	01-2	Funds for material costs	609,167.00	721,678.00	623,118.00
179	01-3-1	Funds for personal incomes and other personal benefits of officials	1,713,843.00	2,187,640.00	2,187,640.00
180	01-3-2	Expenses of conferences and seminars	39,880.00	20,000.00	6,870.00
181	01-3-2	Expenses of visits by foreign delegations	9,970.00	--	--
182	01-3-2	Purchase of equipment	59,820.00	--	--
183	01-3-2	Public relations	32,901.00	20,000.00	18,514.00

Article 5 (continued)

1	2	3	4	5	6
184	01-3-3	Defense-related projects	19,940.00	19,000.00	1,234.00
		Total Basic Purpose 01	6,029,856.00	7,220,765.00	7,098,823.00
		TOTAL SECTION 9 (Items 177 through 184)	6,029,856.00	7,220,765.00	7,098,823.00
		SECTION 10. FEDERAL COUNCIL FOR MISDEMEANORS			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
185	01-1-1	Funds for personal incomes of personnel	4,143,532.00	5,370,648.00	5,370,648.00
186	01-2	Funds for material costs	422,728.00	415,194.00	398,346.40
187	01-3-1	Funds for personal incomes and other personal benefits of officials	3,275,145.00	4,320,600.00	4,320,600.00
188	01-3-2	Traveling expenses in Yugoslavia	32,901.00	14,000.00	14,000.00
189	01-3-2	Translation costs	14,955.00	--	--
190	01-3-2	Operating expenses of ad hoc members of the council	99,700.00	16,000.00	15,300.00
191	01-3-2	Purchase of equipment	29,910.00	--	--
		Total Basic Purpose 01	8,018,871.00	10,136,442.00	10,118,894.40
		TOTAL SECTION 10 (Items 185 through 191)	8,018,871.00	10,136,442.00	10,118,894.40

Article 5 (continued)

1	2	3	4	5	6
SECTION 11. FEDERAL SECRETARIAT FOR FOREIGN AFFAIRS					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
192	01-1-1	Funds for personal incomes of personnel	422,767,880.00	544,916,173.00	544,916,173.00
193	01-2	Funds for material costs	69,790,000.00	72,290,000.00	72,290,000.00
194	01-3-1	Funds for personal incomes and other personal benefits of officials	23,975,856.00	26,282,953.00	26,282,953.00
195	01-3-2	Remuneration of nonstaff personnel	1,296,100.00	496,100.00	496,100.00
196	01-3-2	Compensation for work at night, on Sunday and on state holidays	2,991,000.00	2,991,000.00	2,991,000.00
197	01-3-2	Public relations	1,595,200.00	695,200.00	695,200.00
198	01-3-2	Delegation expenses	14,955,000.00	11,155,000.00	11,155,000.00
199	01-3-2	Costs of establishing borders with neighboring countries and of the Commission for Codification of International Law	2,808,549.00	2,998,549.00	2,998,549.00
200	01-3-2	Costs of consultations and meetings of the group of nonaligned countries	6,501,437.00	1,651,437.00	1,651,437.00
201	01-3-2	Costs of the host delegation's participation in the Conference on Security and Cooperation in Europe	1,345,950.00	1,646,950.00	1,646,950.00

Article 5 (continued)

1	2	3	4	5	6
202	01-3-2	Operation of radio communication equipment	13,958,000.00	5,058,000.00	5,058,000.00
203	01-3-2	Expenses of temporary housing	6,979,000.00	2,979,000.00	2,979,000.00
204	01-3-2	Compensation for separation from family	1,794,600.00	1,795,600.00	1,794,600.00
205	01-3-2	Collection and processing of archive materials	2,492,500.00	992,500.00	992,500.00
206	01-3-2	Membership dues in international organizations	105,682,000.00	14,682,000.00	14,682,000.00
207	01-3-2	To meet the needs of the documentation department	8,973,000.00	8,973,000.00	8,973,000.00
208	01-3-2	Addition to and replacement of equipment	4,985,000.00	385,000.00	385,000.00
209	01-3-2	Scientific research projects, studies and analyses	39,880,000.00	36,250,000.00	36,250,000.00
210	01-3-2	Specialized training of personnel for the communications department	498,500.00	498,500.00	498,500.00
211	01-3-3	Personal and material expenses of diplomatic and consular missions abroad	2,464,584,000.00	2,583,380,039.00	2,583,380,039.00
212	01-3-3	Obligations to make annual payments of buildings purchased on credit for the purposes of diplomatic and consular missions abroad	75,772,000.00	89,181,961.00	89,181,961.00
213	01-3-3	Replacement of travel documents of Yugoslav citizens abroad	4,985,000.00	905,000.00	905,000.00
214	01-3-3	Physical and technical security	2,492,500.00	2,492,500.00	2,492,500.00

Article 5 (continued)

1	2	3	4	5	6
215	01-3-3	For information activity among Yugoslav citizens working and living abroad	6,979,000.00	4,979,000.00	4,979,000.00
216	01-3-3	Costs of repatriation and deportation of Yugoslav citizens from abroad	2,871,360.00	3,671,360.00	3,671,360.00
217	01-3-3	Preparation of publications and documents on foreign policy	2,991,000.00	2,991,000.00	2,991,000.00
218	01-3-3	Various grants in aid in line with the principles of international solidarity	2,492,500.00	2,500.00	2,500.00
219	01-3-3	Defense-related projects	2,233,280.00	733,280.00	733,280.00
220	01-3-3	Specialized training of personnel	5,982,000.00	3,782,000.00	3,782,000.00
221	01-3-3	Participation of the SFRY in financing the peace-keeping forces of the United Nations in the Middle East	4,626,080.00	4,026,080.00	4,026,080.00
222	01-3-3	Expenses of organizing the International Seminar on Comparison of the Policies, Institutions and Experiences of United Nations Member Countries	3,688,900.00	4,400,498.00	4,400,498.00
Total Basic Purpose 01			3,312,967,192.00	3,437,281,180.00	3,437,281,180.00
TOTAL SECTION 11 (Items 192 through 222)			3,312,967,192.00	3,437,281,180.00	3,437,281,180.00

Article 5 (continued)

1	2	3	4	5	6
		SECTION 12. FEDERAL SEC- RETARIAT FOR NATIONAL DE- FENSE			
		Basic Purpose 02--National Defense and Social Self- Protection			
223	02-1-1	Funds for the Yugoslav People's Army in the cur- rent year	121,229,617,000.00	116,412,100,000.00	116,412,100,000.00
224	02-1-2	Funds to cover expendi- tures incurred in ren- dering services to bene- ficiaries outside the Yu- goslav People's Army	<u>1,435,680,000.00</u>	<u>1,435,680,000.00</u>	<u>1,435,539,167.30</u>
		Total Basic Purpose 02	<u>122,665,297,000.00</u>	<u>117,847,780,000.00</u>	<u>117,847,639,167.30</u>
		TOTAL SECTION 12 (Items 223 through 224)	122,665,297,000.00	117,847,780,000.00	117,847,639,167.30
		SECTION 13. FEDERAL SEC- RETARIAT FOR INTERNAL AF- FAIRS			
		Basic Purpose 01--Funds for Operation of Adminis- trative Agencies			
225	01-1-1	Funds for personal incomes of personnel	867,694,085.00	1,188,146,061.00	1,155,745,117.00
226	01-2	Funds for material costs	99,700,000.00	99,700,000.00	99,643,779.90

Article 5 (continued)

1	2	3	4	5	6
227	01-3-1	Funds for personal incomes and other personal benefits of officials	609,167.00	972,864.00	687,033.20
228	01-3-2	For certain purposes	299,100,000.00	99,100,000.00	99,100,000.00
229	01-3-2	Purchase of clothing and footwear	19,940,000.00	19,940,000.00	19,940,000.00
230	01-3-2	Formal education of personnel	11,964,000.00	9,364,000.00	9,364,000.00
231	01-3-2	Preventive medicine, personnel insurance and lump-sum grants under Article 37 of the Law on Conduct of Law Enforcement in the Jurisdiction of Federal Administrative Agencies	1,296,100.00	1,296,100.00	910,263.30
232	01-3-2	Expenses of building maintenance	8,973,000.00	12,473,000.00	12,460,613.40
233	01-3-2	Moving and shipping costs	7,477,500.00	27,477,500.00	27,477,500.00
234	01-3-2	Compensation for separation from family	12,362,800.00	12,362,800.00	11,669,518.25
235	01-3-2	Compensation for occasional, temporary and other jobs	1,994,000.00	3,494,000.00	3,167,327.30
236	01-3-2	Purchase of athletic equipment	249,250.00	249,250.00	
237	01-3-2	Expenses of the Personnel Training Center	3,290,100.00	1,290,100.00	1,163,206.65
238	01-3-2	Compensation for overtime and nighttime work	2,492,500.00	4,592,500.00	4,592,500.00

Article 5 (continued)

1	2	3	4	5	6
239	01-3-2	Obligations to law enforcement agencies in the republics and autonomous provinces under Article 43 of the Law on Law Enforcement in the Jurisdiction of Federal Administrative Agencies	25,922,000.00	17,922,000.00	17,363,157.85
240	01-3-3	Compensation for personal income and other expenses of personnel assigned to security of those employed in diplomatic and consular missions	67,447,050.00	67,447,050.00	67,447,050.00
241	01-3-3	Expenses of the transit-reception center for refugees	2,492,500.00	992,500.00	829,773.25
242	01-3-3	Defense-related projects	19,940,000.00	11,940,000.00	11,940,000.00
243	01-3-3	Funds for operation of the Institute of Security and Social Self-Protection	49,850,000.00	49,850,000.00	49,842,383.70
244	01-3-3	Funds to cover the costs of the Institute of Security and Social Self-Protection related to rendering services to foreign services and to third parties in the country	34,895,000.00	34,895,000.00	34,895,000.00
245	01-3-3	Equipment of the police brigade	74,092,055.00	24,092,055.00	24,092,055.00
Total Basic Purpose 01			1,611,781,107.00	1,687,596,780.00	1,652,330,278.80

Article 5 (continued)

1	2	3	4	5	6
		TOTAL SECTION 13 (Items 225 through 245)	1,611,781,107.00	1,687,596,780.00	1,652,330,278.80
		SECTION 14. FEDERAL SECRETARIAT FOR FINANCE			
		Title 1. The Secretariat			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
246	01-1-1	Funds for personal incomes of personnel	68,190,812.00	87,388,052.00	87,388,052.00
247	01-1-2	Funds for social service expenditures of federal bodies, agencies and organizations			
248	01-2	Funds for material costs	257,824,311.00	147,267,131.00	147,267,131.00
249	01-3-1	Funds for personal incomes and other personal benefits of officials	3,988,000.00	5,435,450.00	5,435,450.00
250	01-3-2	Compensation for separation from family	577,263.00	1,344,214.00	1,344,214.00
251	01-3-2	Operating expenses of the customs commission	199,400.00	259,000.00	259,000.00
252	01-3-2	Translation costs	49,850.00	29,850.00	29,850.00
253	01-3-2	Traveling expenses abroad	64,805.00	--	--
254	01-3-2	Remuneration of nonstaff personnel	1,595,200.00	1,395,200.00	1,395,200.00
255	01-3-2	Compensation for overtime	119,640.00	68,840.00	68,840.00
256	01-3-2	Cooperation with international financial organizations	458,620.00	1,030,726.00	1,030,726.00
			299,100.00	299,100.00	299,100.00

Article 5 (continued)

1	2	3	4	5	6
257	01-3-2	Purchase of and addition to equipment	398,800.00	--	--
258	01-3-2	Expenses of the Commission for Developing Components of the System	398,800.00	--	--
259	01-3-2	For certain purposes	697,900.00	725,774.00	725,774.00
260	01-3-2	Funds for alignment of personal incomes in federal bodies and agencies	897,300,000.00	--	--
261	01-3-2	Funds to finance scientific research projects and scientific studies	29,910,000.00	18,750,000.00	18,714,500.00
262	01-3-3	Compensation for property nationalized within the country	3,988,000.00	1,238,820.00	1,231,091.00
263	01-3-3	Compensation and commission of the Social Accounting Service	11,964,000.00	11,964,000.00	7,184,029.00
264	01-3-3	Expenses of leasing the Ethiopian Embassy	58,823.00	36,823.00	36,823.00
265	01-3-3	Expenses of the Commission for Revaluation of Fixed Assets	49,850.00	--	--
266	01-3-3	Defense-related projects	54,835.00	54,835.00	54,835.00
		Total Basic Purpose 01	1,278,188,009.00	277,287,815.00	272,464,615.00
		Basic Purpose 04--Funds for Transfer to Other Sociopolitical Communities			
267	04-2	Supplemental funds to the Socialist Republic of Bosnia-Herzegovina	6,209,100,000.00	6,126,970,000.00	6,126,970,000.00

Article 5 (continued)

1	2	3	4	5	6
268	04-2	Supplemental funds to the Socialist Republic of Macedonia	2,830,000,000.00	2,792,570,000.00	2,792,570,000.00
269	04-2	Supplemental funds to the Socialist Republic of Montenegro	2,301,200,000.00	2,270,760,000.00	2,270,760,000.00
270	04-2	Supplemental funds to the Socialist Autonomous Province of Kosovo	8,313,400,000.00	8,313,400,000.00	8,313,400,000.00
271	04-2	Unpaid obligations to the Socialist Autonomous Province of Kosovo from 1980	1,180,000,000.00	1,180,000,000.00	1,180,000,000.00
Total Basic Purpose 04			20,833,700,000.00	20,683,700,000.00	20,683,700,000.00
Basic Purpose 05--Obligations To Finance Social Services					
272	05-9	Supplemental earmarked funds to the Old-Age and Disability Insurance Community of SR [Socialist Republic] Montenegro to cover the deficit in the Old-Age and Disability Insurance Fund	737,800,000.00	737,800,000.00	737,800,000.00
273	05-9	Funds for the preferential pensions of military personnel in the context of the provisions of the Law on Federal Obligations for Veterans' Pensions	2,226,900,000.00	2,226,900,000.00	2,226,900,000.00

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
274	05-9	Funds for adjustment of military pensions			
275	05-9	Supplemental earmarked funds to cover the defi- cit in the Military Per- sonnel Pension Fund	1,761,800,000.00	1,761,800,000.00	1,761,800,000.00
			<u>6,493,800,000.00</u>	<u>6,493,800,000.00</u>	<u>6,493,800,000.00</u>
		Total Basic Purpose 05	<u>11,220,300,000.00</u>	<u>11,220,300,000.00</u>	<u>11,220,300,000.00</u>
		Basic Purpose 06--Other General Public Purposes			
276	06-11	Compensation to cover ex- penses of the Social Ac- counting Service for rec- ordkeeping, monitoring and furnishing informa- tion and analysis	<u>233,298,000.00</u>	<u>220,698,000.00</u>	<u>220,698,000.00</u>
		Total Basic Purpose 06	<u>233,298,000.00</u>	<u>220,698,000.00</u>	<u>220,698,000.00</u>
		Basic Purpose 07--Funds for the Federal Reserve			
277	07-1	Allocation to the perma- nent federal reserve	<u>343,366,800.00</u>	<u>193,366,800.00</u>	<u>193,366,800.00</u>
278	07-2	Current budgetary reserve	<u>343,290,569.00</u>	<u>198,417,001.00</u>	<u>197,652,494.00</u>
		Total Basic Purpose 07	<u>737,657,369.00</u>	<u>391,783,801.00</u>	<u>391,019,286.00</u>

Article 5 (continued)

1	2	3	4	5	6
		Basic Purpose 08--Funds Placed in Time Accounts and Set Aside, Obligations and Other Purposes of Interest to the Federation			
279	08-4-2	Obligations arising out of foreign loans and for nationalized foreign property	22,000,000.00	18,100,000.00	18,048,653.35
280	08-4-2	For repayment of credit for agricultural surpluses used to finance the 1965 Federal Budget and 1966 Federal Budget	143,800,000.00	197,523,000.00	197,523,000.00
281	08-4-2	Obligation of SAP [Socialist Autonomous Province] Kosovo assumed to repay the foreign loan for the Ibar-Lepenac Hydropower System	160,000,000.00	203,948,310.80	203,948,310.80
282	08-4-2	Funds for redemption of bonds and to amortize differences in rates of exchange from past years	450,000,000.00	318,000,320.35	318,000,320.35
283	08-4-2	Repayment of credit to the National Bank of Yugoslavia related to carrying out the federal commodity reserve program for 1976	774,200,000.00	941,805,682.00	941,805,682.00

Article 5 (continued)

1	2	3	4	5	6
284	08-4-2	Repayment of credit to the National Bank of Yugoslavia via related to carrying out the permanent federal commodity reserve program for 1977	291,800,000.00	278,177,116.45	278,177,116.45
285	08-4-2	Repayment of credit granted to carry out the permanent federal commodity reserve program in 1978			
286	08-4-2	Funds to repay international credit for transportation routes in SR Montenegro	330,500,000.00	402,714,503.65	402,714,503.65
287	08-4-2	Contribution to the International Development Association (IDA)	140,400,000.00	153,769,000.00	153,769,000.00
288	08-4-2	Membership dues in the Interamerican Bank	268,000,000.00	127,046,700.00	127,046,700.00
289	08-4-2	Contribution to the International Financial Corporation	66,200,000.00	85,155,790.00	85,155,790.00
290	08-4-2	Membership dues of the SFRY in the African Development Bank	18,300,000.00	--	--
291	08-4-2	Participation of the SFRY in the First Replenishment of the Resources of the International Fund for Agricultural Development (IFAD)	52,600,000.00	--	--
			6,800,000.00	--	--

Article 5 (continued)

1	2	3	4	5	6
292	08-4-2	General increase of the SFRY's share in the capital of the International Bank	364,000,000.00	--	--
293	08-4-2	Special increase in the capital of the International Bank	80,000,000.00	88,159,576.75	88,159,576.75
		Total Basic Purpose 08	3,168,600,000.00	2,814,400,070.00	2,814,348,653.35
		Total Title 1	37,471,743,378.00	35,608,169,616.00	35,602,530,554.35
Title 2. Federal Foreign Exchange Inspectorate					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
294	01-1-1	Funds for personal incomes of personnel	47,803,159.00	67,587,275.00	67,587,275.00
295	01-2	Funds for material costs	2,193,400.00	4,536,323.25	4,536,323.00
296	01-3-2	Remuneration of nonstaff personnel in foreign exchange inspectorates in the republics			
297	01-3-2	Traveling expenses of foreign exchange inspectorates in Yugoslavia	29,910.00	29,910.00	11,720.30
298	01-3-2	Rental and maintenance of office space	3,688,900.00	3,287,876.75	2,393,962.60
299	01-3-2	Traveling expenses abroad	2,691,900.00	1,550,000.00	1,202,061.90
300	01-3-2	Purchase of equipment	598,200.00	897,300.00	400,202.30
301	01-3-2	Public relations	4,985.00	398,200.00	143,202.30
				4,985.00	1,417.10

Article 5 (continued)

1	2	3	4	5	6
302	01-3-3	Defense-related projects	99,700.00	99,700.00	2,568.00
		Total Basic Purpose 01	58,007,454.00	78,391,570.00	76,278,732.50
		Total Title 2	58,007,454.00	78,391,570.00	76,278,732.50
		TOTAL SECTION 14 (Items 246 through 302)	37,529,750,832.00	35,686,561,186.00	35,678,809,286.85
		SECTION 15. FEDERAL SEC- RETARIAT FOR FOREIGN TRADE			
		Basic Purpose 01--Funds for Operation of Adminis- trative Agencies			
303	01-1-1	Funds for personal incomes of personnel	58,038,361.00	72,226,665.00	72,226,665.00
304	01-2	Funds for material costs	5,184,400.00	5,184,400.00	5,184,400.00
305	01-3-1	Funds for personal incomes and other personal bene- fits of officials	541,371.00	719,035.00	719,035.00
306	01-3-2	Compensation for separa- tion from family	251,244.00	251,244.00	251,244.00
307	01-3-2	Compensation for overtime of secretaries subject to quota, nonstaff person- nel, specialized commis- sions and working groups	299,100.00	138,100.00	138,100.00
308	01-3-2	Preparation of bulletins and other materials and forms for administration of the foreign trade and foreign exchange systems	299,100.00	99,100.00	50,000.00

Article 5 (continued)

1	2	3	4	5	6
309	01-3-2	Scientific, news and documentation, and advisory work of certain institutions	119,640.00	119,640.00	119,640.00
310	01-3-2	Costs of foreign and Yugoslav delegations			
311	01-3-2	Charges for translation of miscellaneous specialized material and foreign publications from foreign languages	2,991,000.00	2,191,000.00	2,191,000.00
312	01-3-2	Purchase of clothing and footwear	99,700.00	39,700.00	20,000.00
313	01-3-2	Membership dues in international organizations	19,940.00	19,940.00	19,940.00
314	01-3-2	Purchase of equipment	14,920,105.00	28,763,784.00	28,763,784.00
315	01-3-2	Expenses of the personnel development program	398,800.00	98,800.00	--
316	01-3-3	Defense-related projects	289,130.00	89,130.00	--
			199,400.00	110,400.00	110,400.00
		Total Basic Purpose 01	83,651,291.00	110,050,938.00	109,794,208.00
		TOTAL SECTION 15 (Items 303 through 316)	83,651,291.00	110,050,938.00	109,794,208.00

Article 5 (continued)

1	2	3	4	5	6
		SECTION 16. FEDERAL SECRETARIAT FOR THE MARKET AND GENERAL ECONOMIC AFFAIRS			
		Title 1. The Secretariat			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
317	01-1-1	Funds for personal incomes of personnel	32,111,376.00	40,694,200.00	40,694,200.00
318	01-2	Funds for material costs	3,489,500.00	3,989,500.00	3,989,491.00
319	01-3-1	Funds for personal incomes and other personal benefits of officials	573,275.00	715,198.00	715,198.00
320	01-3-2	Compensation for separation from family	598,200.00	448,200.00	448,200.00
321	01-3-2	Compensation for overtime	299,100.00	299,100.00	299,100.00
322	01-3-2	Traveling expenses abroad	428,710.00	228,710.00	102,740.00
323	01-3-2	Expenses of international cooperation	299,100.00	186,539.00	186,539.00
324	01-3-2	Purchase of equipment	448,650.00	--	--
325	01-3-2	Traveling expenses in Yugoslavia	1,395,800.00	395,800.00	395,800.00
326	01-3-2	Data processing costs	19,940.00	12,561.00	12,561.00
327	01-3-2	Membership dues in international organizations	2,870,363.00	2,870,363.00	2,870,363.00
328	01-3-2	Funds to finance expenditures related to analysis and forecasting of economic trends	4,985,000.00	3,985,000.00	3,985,000.00
329	01-3-3	Defense-related projects	99,700.00	99,700.00	99,700.00

Article 5 (continued)

1	2	3	4	5	6
		Total Basic Purpose 01	47,618,714.00	53,924,871.00	53,798,892.00
		Total Title 1	47,618,714.00	53,924,871.00	53,798,892.00
		Title 2. Federal Market Inspectorate			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
330	01-1-1	Funds for personal incomes of personnel	31,214,076.00	44,539,598.00	44,539,598.00
331	01-2	Funds for material costs	2,492,500.00	2,492,500.00	2,492,500.00
332	01-3-1	Funds for personal incomes and other personal benefits of officials	556,326.00	1,177,794.00	1,177,794.00
333	01-3-2	Compensation for overtime and work on holidays	299,100.00	299,100.00	299,100.00
334	01-3-2	Service charges paid to authorized organizations and specialized individuals for inspecting the quality of products being imported	1,694,900.00	894,900.00	891,241.00
335	01-3-2	Traveling expenses abroad	199,400.00	--	--
336	01-3-2	Expenses of quality inspection	797,600.00	1,297,600.00	1,297,600.00
337	01-3-2	Rent	1,196,400.00	1,196,400.00	1,196,400.00
338	01-3-2	Expenses of international cooperation	79,760.00	--	--
339	01-3-2	Compensation for expert testimony and expert evaluation	997,000.00	277,000.00	277,000.00

Article 5 (continued)

1	2	3	4	5	6
340	01-3-2	Purchase of equipment			
341	01-3-2	Purchase of specialized publications	448,650.00	467,387.00	467,387.00
342	01-3-2	Traveling expenses of market inspectors in the country	99,700.00	109,700.00	109,700.00
343	01-3-2	Public relations	3,788,600.00	2,788,600.00	2,788,600.00
344	01-3-2	Compensation for separation from family	10,967.00	10,967.00	10,967.00
345	01-3-2	Purchase of uniforms and footwear	348,950.00	198,950.00	198,950.00
			498,500.00	498,500.00	498,500.00
		Total Basic Purpose 01	44,722,429.00	56,248,996.00	56,245,337.00
		Total Title 2	44,722,429.00	56,248,996.00	56,245,337.00
Title 3. Federal Directorate for Reserves of Industrial Products					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
346	01-1-1	Funds for personal incomes of personnel			
347	01-2	Funds for material costs	26,894,075.00	30,398,215.00	30,364,073.00
348	01-3-1	Funds for personal incomes and other personal benefits of officials	3,988,000.00	3,988,000.00	3,988,000.00
349	01-3-2	Traveling expenses in Yugoslavia and abroad	670,981.00	850,614.00	850,614.00
350	01-3-2	Public relations	1,196,400.00	1,196,400.00	1,196,400.00
			21,934.00	21,934.00	21,934.00

Article 5 (continued)

1	2	3	4	5	6
351	01-3-2	Studies, analyses and magazines	149,550.00	100,550.00	100,550.00
352	01-3-2	Expenses of maintaining furnishings and purchasing equipment	1,595,200.00	920,000.00	920,000.00
353	01-3-2	Compensation for separation from family	108,673.00	--	--
354	01-3-2	Compensation for overtime	199,400.00	199,400.00	199,400.00
355	01-3-3	Defense-related projects	291,124.00	101,424.00	101,124.00
356	01-3-4	For certain purposes	330,685,957.00	210,685,957.00	210,685,957.00
Total Basic Purpose 01			365,801,294.00	248,462,494.00	248,428,052.00
Total Title 3			365,801,294.00	248,462,494.00	248,428,052.00
Title 4. Federal Directorate for Reserves of Foodstuffs					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
357	01-1-1	Funds for personal incomes of personnel	22,540,176.00	28,561,063.00	28,560,411.00
358	01-2	Funds for material costs	2,438,662.00	2,438,662.00	2,438,662.00
359	01-3-1	Funds for personal incomes and other personal benefits of officials	1,850,432.00	1,850,432.00	1,559,466.00
360	01-3-2	Compensation for separation from family	59,820.00	59,820.00	39,915.00
361	01-3-2	Traveling expenses in Yugoslavia and abroad	1,096,700.00	1,096,700.00	1,096,700.00
362	01-3-2	Public relations	15,952.00	15,952.00	15,952.00

Article 5 (continued)

1	2	3	4	5	6
363	01-3-2	Expenses of maintaining furnishings and purchasing equipment	997,000.00	997,000.00	997,000.00
364	01-3-2	Compensation for overtime	149,550.00	149,550.00	12,462.00
365	01-3-2	Studies, analyses and magazines	548,350.00	548,350.00	548,350.00
366	01-3-3	Defense-related projects	69,790.00	69,790.00	23,489.00
367	01-3-4	Funds for certain purposes	757,720,000.00	710,520,673.00	710,420,763.00
Total Basic Purpose 01			787,486,432.00	746,307,992.00	745,713,170.00
Total Title 4			787,486,432.00	746,307,992.00	745,713,170.00
TOTAL SECTION 16 (Items 317 through 367)			1,245,628,869.00	1,104,944,353.00	1,104,185,451.00
SECTION 17. FEDERAL SECRETARIAT FOR JURISPRUDENCE AND ORGANIZATION OF THE FEDERAL ADMINISTRATION					
Title 1. The Secretariat					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
368	01-1-1	Funds for personal incomes of personnel	19,541,200.00	25,201,216.00	25,201,216.00
369	01-2	Funds for material costs	1,231,295.00	1,331,295.00	1,331,295.00
370	01-3-1	Funds for personal incomes and other personal benefits of officials	579,257.00	742,050.00	742,050.00

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
371	01-3-2	Compensation for separation from family	334,992.00	234,992.00	231,000.00
372	01-3-2	Costs of extradition	1,196,400.00	1,646,400.00	1,646,400.00
373	01-3-2	Traveling expenses abroad	498,500.00	8,500.00	8,500.00
374	01-3-2	Translation of petitions and documents from foreign languages	19,940.00	--	--
375	01-3-2	Costs of expert testimony and expenses of law suits	49,850.00	1,850.00	1,850.00
376	01-3-2	Costs incurred in preparation of legislation	498,500.00	238,500.00	133,500.00
376	01-3-2	Compensation under Article 294 of the Law on the Bases of the System of Government Administration and on the Federal Executive Council and Federal Administrative Agencies	159,520.00	149,520.00	149,520.00
378	01-3-3	Participation in financing international meetings and other undertakings	299,100.00	--	--
379	01-3-3	Defense-related projects	34,895.00	4,895.00	4,895.00
Total Basic Purpose 01			24,443,449.00	29,559,218.00	29,450,226.00
Total Title 1			24,443,449.00	29,559,218.00	29,450,226.00

Article 5 (continued)

1	2	3	4	5	6
		Title 2. Bureau for Advancement of Federal Administration			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
380	01-1-1	Funds for personal incomes of personnel			
381	01-2	Funds for material costs	4,785,600.00	7,133,518.00	7,133,518.00
382	01-3-2	Compensation for separation from family	249,250.00	311,400.00	311,400.00
383	01-3-2	Traveling expenses abroad	91,724.00	91,724.00	84,000.00
384	01-3-2	Purchase of specialized literature	79,760.00	--	--
385	01-3-2	Costs of specialized education of personnel of federal bodies and agencies and federal organizations	5,982.00	5,982.00	5,982.00
386	01-3-2	Costs of publishing the bureau's bulletin	99,700.00	--	--
387	01-3-2	Costs of preparing detailed reports and studies	299,310.00	65,310.00	65,310.00
388	01-3-2	Membership dues in international organizations	49,850.00	--	--
			255,232.00	275,232.00	275,232.00
		Total Basic Purpose 01	5,846,408.00	7,883,166.00	7,875,442.00
		Total Title 2	5,846,408.00	7,883,166.00	7,875,442.00

Article 5 (continued)

1	2	3	4	5	6
		Title 3. Bureau for Data Processing of Federal Bodies and Agencies			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
389	01-1-1	Funds for personal incomes of personnel	16,798,453.00	23,375,924.00	23,275,924.00
390	01-2	Funds for material costs	2,183,430.00	2,383,608.00	2,333,608.00
391	01-3-2	Remuneration of nonstaff personnel	39,880.00	--	--
392	01-3-2	Traveling expenses abroad	59,820.00	--	--
393	01-3-2	Purchase of specialized literature	299,100.00	369,100.00	369,000.00
394	01-3-2	Material costs incurred in issuing and storing documentary and informative material	348,950.00	304,890.00	304,890.00
395	01-3-2	Operating expenses of the electronic computer	1,509,458.00	1,628,438.00	1,628,438.00
396	01-3-2	Costs of preparing the design of the information system	299,100.00	--	--
397	01-3-2	Purchase of equipment	8,973,000.00	7,273,000.00	7,273,000.00
398	01-3-2	Specialization--advanced specialized training abroad	298,103.00	5.00	--
		Total Basic Purpose 01	30,809,294.00	35,334,965.00	35,284,860.00
		Total Title 3	30,809,294.00	35,334,965.00	35,284,860.00

Article 5 (continued)

1	2	3	4	5	6
		Title 4. Financing the Program for Operation of Independent Institutions and Organizations			
		Basic Purpose 01--Funds for Operation of Adminis- trative Agencies			
399	01-3-2	Funds for carrying out the work program of the In- stitute for Comparative Law	4,023,892.00	4,023,892.00	4,023,892.00
400	01-3-2	Compensation of medical institutions for render- ing services to personnel in federal bodies and agencies	797,600.00	797,600.00	797,600.00
401	01-3-2	Funds for carrying out the work program of the Mu- seum of the Revolution of the Nationalities and Eth- nic Minorities of Yugosla- via			
402	01-3-2	Funds for the AVNOJ Prize	15,453,500.00	15,519,626.95	15,453,500.00
403	01-3-2	"Mosa Pijade" Fund for Ad- vancement of the Fine Arts	3,439,650.00	3,439,650.00	3,439,650.00
404	01-3-2	Funds for the work of the commission related to ob- jects bearing the like- ness of Josip Broz Tito	1,994,000.00	1,994,000.00	1,994,000.00
405	01-3-2	"Edvard Kardelj" Prize	249,250.00	149,250.00	67,000.00
			1,495,500.00	1,495,500.00	1,495,500.00

Article 5 (continued)

1	2	3	4	5	6
		Total Basic Purpose 01	27,453,392.00	27,419,518.95	27,271,142.00
		Total Title 4	27,453,392.00	27,419,518.95	27,271,142.00
		TOTAL SECTION 17 (Items 368 through 405)	88,552,543.00	100,196,867.95	99,881,670.00
		SECTION 18. FEDERAL SEC- RETARIAT FOR INFORMATION			
		Basic Purpose 01--Funds for Operation of Adminis- trative Agencies			
406	01-1-1	Funds for personal incomes of personnel	37,025,589.00	46,779,535.00	46,779,535.00
407	01-2	Funds for material costs	997,000.00	1,797,000.00	1,797,000.00
408	01-3-1	Funds for personal incomes and other personal bene- fits of officials	417,743.00	721,471.00	721,471.00
409	01-3-2	Subscription to newspa- pers, magazines and pub- lications	1,176,460.00	1,176,460.00	1,176,460.00
410	01-3-2	Expenses related to visits by foreign guests and journalists	3,988,000.00	3,888,000.00	3,888,000.00
411	01-3-2	State visits--foreign newsmen accompanying the head of state	1,595,200.00	695,200.00	695,200.00
412	01-3-2	Formal schooling of news- men from the nonaligned countries	5,483,500.00	5,343,500.00	5,343,500.00

Article 5 (continued)

1	2	3	4	5	6
413	01-3-2	Publication of bulletins and costs of holding press conferences and publishing activity related to the work of the Federal Executive Council	3,988,000.00	2,726,486.00	2,726,486.00
414	01-3-2	Performance of the international relations program of the Federation of Yugoslav Newsmen	1,296,100.00	1,296,100.00	1,296,100.00
415	01-3-2	Budget of the Pula Film Festival	2,352,920.00	2,155,320.00	2,155,320.00
416	01-3-2	Expenses of cooperation on a multilateral basis in the information field among the nonaligned developing countries	348,950.00	198,950.00	198,950.00
417	01-3-2	Addition to and replacement of equipment	272,181.00	72,181.00	72,181.00
418	01-3-3	Publishing activity, current written press releases, purchase of publications about Yugoslavia in foreign languages, news and documentary films, photo reports, exhibitions, special projects, operating fund of the secretariat and costs of shipping information and-propaganda material	39,901,000.00	30,567,685.00	30,567,685.00
419	01-3-3	Purchase of periodicals intended for foreign distribution	49,850,000.00	50,142,076.00	50,142,076.00

Article 5 (continued)

1	2	3	4	5	6
420	01-3-3	Radiobroadcasting directed abroad	104,685,000.00	101,239,030.00	101,239,030.00
421	01-3-3	Radio programs, news stories and TV programs for distribution abroad	2,991,000.00	584,315.00	584,315.00
422	01-3-3	News agency services	165,502,000.00	185,502,000.00	185,502,000.00
423	01-3-3	Expenses of preparing the "Film News" newsreel	23,628,900.00	22,328,900.00	22,328,900.00
424	01-3-3	Information-and-propaganda and cultural-entertainment activity directed toward Yugoslav workers and emigres abroad	18,943,000.00	14,141,712.00	14,141,712.00
425	01-3-3	Informing the foreign public over radio and television	19,940,000.00	10,183,026.00	10,183,026.00
426	01-3-3	International Press Center in Belgrade	8,673,900.00	8,673,900.00	8,673,900.00
427	01-3-3	Defense-related projects	11,565,200.00	10,265,200.00	10,265,200.00
428	01-3-3	Regular expenses of maintaining the Defense Preparations Service of Radio Yugoslavia	5,184,400.00	5,184,400.00	5,184,400.00
429	01-3-3	Regular expenses of maintaining the Defense Preparations Service of the TANJUG News Agency	1,395,800.00	1,395,800.00	1,395,800.00
Total Basic Purpose 01			504,201,843.00	507,058,247.00	507,058,247.00
TOTAL SECTION 18 (Items 406 through 429)			504,201,843.00	507,058,247.00	507,058,247.00

Article 5 (continued)

1	2	3	4	5	6
SECTION 19. FEDERAL COMMITTEE FOR ENERGY AND INDUSTRY					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
430	01-1-1	Funds for personal incomes of personnel			
431	01-2	Funds for material costs	35,422,413.00	45,868,058.00	45,868,058.00
432	01-3-1	Funds for personal incomes and other personal benefits of officials	2,791,600.00	2,791,600.00	2,791,600.00
433	01-3-2	Expenses of international cooperation in Yugoslavia	587,233.00	706,257.00	706,257.00
434	01-3-2	Traveling expenses abroad	1,794,600.00	794,600.00	128,440.55
435	01-3-2	Compensation for work of commission members and nonstaff personnel	1,937,171.00	1,137,171.00	765,600.00
436	01-3-2	Costs of holding meetings of the committee	299,100.00	99,100.00	19,636.00
437	01-3-2	Membership dues in international organizations	398,800.00	248,800.00	117,484.50
438	01-3-2	Compensation for overtime	34,320,728.00	34,320,728.00	34,320,728.00
439	01-3-2	Purchase of equipment	99,700.00	99,700.00	--
440	01-3-2	Costs of carrying out the work program of the Nuclear Commission of the Federal Executive Council	209,370.00	--	--
441	01-3-2	Preparation of specialized analyses	1,112,650.00	312,650.00	112,113.60
442	01-3-3	Defense-related projects	498,500.00	198,500.00	100,000.00
			543,365.00	243,365.00	91,619.60

Article 5 (continued)

1	2	3	4	5	6
		Total Basic Purpose 01	80,015,230.00	86,820,529.00	85,021,537.25
		TOTAL SECTION 19 (Items 430 through 442)	80,015,230.00	86,820,529.00	85,021,537.25
		SECTION 20. FEDERAL COMMITTEE FOR AGRICULTURE			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
443	01-1-1	Funds for personal incomes of personnel	88,343,173.00	109,684,647.00	109,684,647.00
444	01-2	Funds for material costs	3,489,500.00	3,489,500.00	3,150,791.00
445	01-2	Funds for material costs of border stations	12,462,500.00	12,462,500.00	9,800,000.00
446	01-3-1	Funds for personal incomes and other personal benefits of officials	554,332.00	677,453.00	677,453.00
447	01-3-2	Contribution to the World Food Program (WEP)	9,251,163.00	9,251,163.00	9,251,163.00
448	01-3-2	Expenses of international cooperation in water management	897,300.00	897,300.00	897,300.00
449	01-3-2	Compensation of members of ad hoc commissions	418,740.00	318,740.00	270,000.00
450	01-3-2	Costs of controlling chemicals for plant pest and disease control	149,550.00	149,550.00	130,000.00
451	01-3-2	Costs of controlling chemicals for livestock pest and disease control	64,805.00	64,805.00	--

Article 5 (continued)

1	2	3	4	5	6
452	01-3-2	Expenses of the Yugoslav Committee for the International Hydrological Program	2,991,000.00	--	--
453	01-3-2	Measures in the field of veterinary science and plant pest and disease control taken in the border zone	4,187,400.00	187,400.00	--
454	01-3-2	Expenses of international cooperation in agriculture and forestry	2,791,600.00	1,691,600.00	1,350,000.00
455	01-3-2	Costs of holding meetings of the committee	438,680.00	438,680.00	435,200.00
456	01-3-2	For holding seminars, conducting courses and preparing legislation in the field of veterinary science and plant pest and disease control	1,994,000.00	1,994,000.00	1,720,000.00
457	01-3-2	Remuneration of nonstaff personnel in the field of plant pest and disease control at border crossings	329,010.00	129,010.00	50,000.00
458	01-3-2	For monitoring the movement of diseases and pests on the quarantine list in the field of plant pest and disease control	797,600.00	797,600.00	797,600.00
459	01-3-2	Membership dues in international organizations	4,147,520.00	4,547,520.00	4,547,520.00

Article 5 (continued)

1	2	3	4	5	6
460	01-3-2	Compensation for overtime in the field of veterinary science at border crossings	199,400.00	--	--
461	01-3-2	Compensation for overtime in the field of plant pest and disease control at border crossings	299,100.00	119,100.00	44,200.00
462	01-3-2	Recognition of new varieties and approval of commencement of production of seed for planting	3,190,400.00	3,190,400.00	3,190,400.00
463	01-3-2	Remuneration of nonstaff personnel for performance of veterinary inspection at the border	398,800.00	398,800.00	325,000.00
464	01-3-2	For verification and application of new technologies and techniques in agriculture and forestry in conformity with economic development policy in 1982	2,592,200.00	1,992,200.00	1,450,000.00
465	01-3-2	Drafting and printing of instructions for enforcing legislation and carrying out measures within federal jurisdiction	1,296,100.00	1,296,100.00	910,000.00
466	01-3-2	Holding of fairs, exhibitions, conferences, symposiums and congresses for the advancement of agriculture	1,694,900.00	1,494,900.00	1,450,000.00

Article 5 (continued)

1	2	3	4	5	6
467	01-3-2	Promoting, establishing and carrying out cooperation with countries with which Yugoslavia has intergovernmental commitments and commissions, but especially with the developing countries			
468	01-3-2	Purchase of and addition to equipment	1,395,800.00	695,800.00	525,000.00
469	01-3-2	Costs of ascertaining the behavior of active ingredients of pesticides	1,595,200.00	996,200.00	400,000.00
470	01-3-2	Operating expenses of commissions and working bodies of the committee	498,500.00	98,500.00	
471	01-3-2	Diagnosis of viral diseases	518,440.00	518,440.00	518,440.00
472	01-3-2	Final work on comprehensive measures of plant pest and disease control and introduction of non-pesticidal measures to control plant diseases and pests	398,800.00	398,800.00	398,800.00
473	01-3-2	Compensation for separation from family	1,096,700.00	1,096,700.00	1,096,700.00
			398,800.00	398,800.00	398,800.00

Article 5 (continued)

1	2	3	4	5	6
474	01-3-2	Participation in drafting the program of initiatives for ascertaining the causative factors and the undertaking of measures to correct the large-scale withering of the more important tree species	498,500.00	498,500.00	498,500.00
475	01-3-2	Compensation for work at night and on holidays in the field of veterinary science at border crossings	378,860.00	578,260.00	578,260.00
476	01-3-2	Compensation for work at night and on holidays in the field of plant pest and disease control at border crossings	498,500.00	528,500.00	528,500.00
477	01-3-2	Contribution to the International Fund for Agricultural Development (IFAD)	6,804,525.00	6,804,525.00	6,632,050.00
478	01-3-2	Participation in preparing the publication "Proizvodnja i agrarna politika--knjiga II" [Production and Farm Policy--Volume II]	199,400.00 997,000.00	199,400.00 797,000.00	199,400.00 797,000.00
479	01-3-3	Defense-related projects	158,257,798.00	168,881,393.00	162,583,924.00
Total Basic Purpose 01					
TOTAL SECTION 20 (Items 443 through 479)			158,257,798.00	168,881,393.00	162,583,924.00

Article 5 (continued)

1	2	3	4	5	6
SECTION 21. FEDERAL COMMITTEE FOR TRANSPORTATION AND COMMUNICATIONS					
Title 1. The Committee					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
480	01-1-1	Funds for personal incomes of personnel			
481	01-2	Funds for material costs	34,021,628.00	42,957,612.00	42,957,612.00
482	01-3-1	Funds for personal incomes and other personal benefits of officials	2,492,500.00	3,992,500.00	3,988,088.00
483	01-3-2	Drafting of technical regulations	4,627,077.00	6,376,971.00	6,376,971.00
484	01-3-2	Expenses of international cooperation	997,000.00	347,000.00	110,000.00
485	01-3-2	Traveling expenses abroad	997,000.00	697,000.00	664,742.00
486	01-3-2	Compensation for work of commission members	2,492,500.00	2,180,546.00	2,094,791.00
487	01-3-2	Printing of international transportation permits and licenses	249,250.00	249,250.00	223,115.00
488	01-3-2	Purchase of and addition to equipment	199,400.00	1,529,400.00	1,529,400.00
489	01-3-2	Membership dues in international organizations	299,100.00	99,100.00	99,100.00
			15,453,500.00	11,073,500.00	11,073,500.00

Article 5 (continued)

1	2	3	4	5	6
490	01-3-2	Costs of participation of Jugoregister (Yugoslav Register of Shipping) specialists in matters of interest to the Federation	2,991,000.00	2,991,000.00	2,991,000.00
491	01-3-2	Compensation for separation from family			
492	01-3-2	Costs of holding meetings of the committee	249,250.00	249,250.00	249,250.00
493	01-3-2	Compensation for old-age and medical insurance of Yugoslavs temporarily employed in the Secretariat of the Danube Commission	348,950.00	348,950.00	348,950.00
494	01-3-2	Maintaining regular air service between Belgrade and Tirana in both directions	533,395.00	533,395.00	533,395.00
495	01-3-2	Maintaining regular air service between Belgrade and Malta in both directions	15,293,980.00	15,293,980.00	15,293,980.00
496	01-3-2	Compensation for the work of the airports to meet the needs of air traffic safety	14,516,320.00	14,516,320.00	14,516,320.00
497	01-3-3	For the safety of navigation in maritime shipping	12,422,620.00	12,422,620.00	12,422,620.00
498	01-3-3	For the safety of navigation in river shipping	87,736,000.00	87,736,000.00	87,736,000.00
499	01-3-3	Defense-related projects	96,709,000.00	96,709,000.00	96,709,000.00
			498,500.00	498,500.00	498,500.00

Article 5 (continued)

1	2	3	4	5	6
500	01-3-3	Funds for operation of the Geomagnetic Institute on projects of interest to the Federation			
501	01-3-3	Funds to cover obligations for passes issued in passenger transportation	20,937,000.00	20,937,000.00	20,937,000.00
			<u>119,640,000.00</u>	<u>119,640,000.00</u>	<u>119,639,196.40</u>
		Total Basic Purpose 01	<u>433,704,970.00</u>	<u>441,378,894.00</u>	<u>440,992,530.40</u>
		Total Title 1	<u>433,704,970.00</u>	<u>441,378,894.00</u>	<u>440,992,530.40</u>
Title 2. Federal Administration for Flight Control					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
502	01-1-1	Funds for personal incomes of personnel			586,123,966.00
503	01-2	Funds for material costs	454,024,827.00	586,123,966.00	5,784,394.95
504	01-3-1	Funds for personal incomes and other personal benefits of officials	4,985,000.00	5,785,000.00	
505	01-3-2	Expenses of the operational facility	1,182,442.00	1,987,467.00	1,975,922.00
506	01-3-2	Rent	85,268,425.00	75,968,425.00	73,073,326.65
507	01-3-2	Costs of airplane use	2,027,898.00	2,027,898.00	1,542,517.55
508	01-3-2	Compensation for work at night and on holidays and for overtime	17,946,000.00	17,946,000.00	16,957,131.45
			16,949,000.00	19,449,000.00	18,282,967.65

Article 5 (continued)

1	2	3	4	5	6
509	01-3-2	Remuneration of nonstaff personnel	149,550.00	149,550.00	24,970.00
510	01-3-2	Costs of vehicle use	12,961,000.00	12,961,000.00	12,751,853.19
511	01-3-2	Insurance costs	6,736,729.00	6,736,729.00	4,049,883.60
512	01-3-2	Traveling expenses in Yugoslavia	10,967,000.00	10,967,000.00	8,514,254.10
513	01-3-2	Print shop expenses	707,870.00	1,207,870.00	973,455.35
514	01-3-2	Purchase of clothing and footwear	5,563,260.00	7,563,260.00	7,220,721.80
515	01-3-2	Costs of bank commissions	2,193,400.00	3,393,400.00	3,382,265.15
516	01-3-2	Traveling expenses abroad	917,240.00	917,240.00	387,862.15
517	01-3-2	Membership dues in international and other organizations	279,160.00	279,160.00	90,000.00
518	01-3-2	Purchase of equipment and devices for workplace safety	1,694,900.00	1,694,900.00	1,492,426.95
519	01-3-2	Costs based on guaranties issued	79,760.00	79,760.00	--
520	01-3-2	Addition to furnishings	1,994,000.00	1,994,000.00	1,989,260.55
521	01-3-2	Postage, telegraph and telephone	35,293,800.00	35,293,800.00	34,775,847.40
522	01-3-2	Preservation of property and property insurance	3,988,000.00	5,988,000.00	5,475,734.35
523	01-3-2	Medical examinations, checkups of pilots and chauffeurs	2,501,473.00	2,501,473.00	1,781,979.00
524	01-3-2	Purchase of teaching aids and textbooks for training	697,900.00	697,900.00	340,425.90
525	01-3-2	Public relations	69,790.00	69,790.00	33,941.75
526	01-3-2	Costs of reambulation of air navigation charts	1,146,550.00	1,146,550.00	1,055,461.90

Article 5 (continued)

1	2	3	4	5	6
527	01-3-2	Expenses paid under military regulations	2,413,737.00	2,713,737.00	2,700,890.05
528	01-3-3	Defense-related projects	249,250.00	249,250.00	85,336.55
Total Basic Purpose 01			672,987,961.00	805,892,125.00	790,866,795.99
Total Title 2			672,987,961.00	805,892,125.00	790,866,795.99

Title 3. Federal Administration for Radio Communications

Basic Purpose 01--Funds for Operation of Administrative Agencies

529	01-1-1	Funds for personal incomes of personnel	26,923,985.00	38,332,878.00	38,332,878.00
530	01-2	Funds for material costs	1,156,520.00	1,301,520.00	1,256,847.90
531	01-3-1	Funds for personal incomes and other personal benefits of officials	569,287.00	730,000.00	730,000.00
532	01-3-2	Compensation for overtime and night work	274,175.00	74,175.00	73,215.00
533	01-3-2	Maintenance of monitoring and measuring centers	598,200.00	648,200.00	427,206.95
534	01-3-2	Property insurance	1,595,200.00	1,595,200.00	1,448,227.30
535	01-3-2	Purchase of and addition to equipment	299,100.00	149,100.00	104,346.20
536	01-3-2	Costs of the motor pool	498,500.00	598,500.00	524,382.75
537	01-3-2	Traveling expenses in Yugoslavia	598,200.00	548,200.00	460,494.00
538	01-3-2	Traveling expenses abroad	448,650.00	128,650.00	93,728.90

Article 5 (continued)

1	2	3	4	5	6
539	01-3-2	Purchase of clothing and footwear	34,895.00	34,895.00	26,657.25
540	01-3-2	Drafting of specialized technical regulations, instructions and studies	24,925.00	--	--
541	01-3-2	Processing of information and documentary data	947,150.00	997,150.00	993,817.60
542	01-3-2	Compensation for separation from family	79,760.00	--	--
543	01-3-2	Expenses of current and capital maintenance of one-sixth of the office space in the Rijeka Monitoring and Measuring Center	239,280.00	239,280.00	211,472.00
544	01-3-2	Postage, telegraph and telephone	717,840.00	767,840.00	706,950.10
545	01-3-3	Defense-related projects	199,400.00	74,400.00	14,899.00
		Total Basic Purpose 01	35,205,067.00	46,219,988.00	45,405,122.95
		Total Title 3	35,205,067.00	46,219,988.00	45,405,122.95
		Title 4. Federal Aeronautics Inspectorate			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
546	01-1-1	Funds for personal incomes of personnel	20,657,840.00	25,356,971.00	25,356,971.00
547	01-2	Funds for material costs	2,648,032.00	2,948,032.00	2,948,032.00

Article 5 (continued)

1	2	3	4	5	6
548	01-3-1	Funds for personal incomes and other personal benefits of officials	1,088,724.00	1,632,808.00	1,632,808.00
549	01-3-2	Expenses of airplane and motor vehicle use	3,205,355.00	1,625,355.00	1,625,355.00
550	01-3-2	Purchase of clothing and footwear	299,100.00	299,100.00	299,100.00
551	01-3-2	Expenses of international cooperation	29,910.00	--	--
552	01-3-2	Traveling expenses abroad	1,844,450.00	1,094,450.00	894,450.00
553	01-3-2	Remuneration of nonstaff personnel	49,850.00	20,000.00	20,000.00
554	01-3-2	Traveling and moving expenses	1,994,000.00	1,694,000.00	1,694,000.00
555	01-3-2	Purchase of and addition to equipment	1,844,450.00	844,450.00	844,450.00
556	01-3-2	Translation costs	39,880.00	--	--
557	01-3-2	Costs of organizing conferences	9,970.00	9,970.00	9,970.00
558	01-3-2	Costs of professional training	79,760.00	30,000.00	30,000.00
559	01-3-2	Compensation for work at night and on holidays	49,850.00	--	--
560	01-3-2	Public relations	10,967.00	10,967.00	10,967.00
561	01-3-2	Charges for transporting personnel to and from work	208,373.00	248,373.00	248,373.00
562	01-3-2	Studies and analyses	49,850.00	--	--
563	01-3-2	Memberships and sessions	99,700.00	30,000.00	30,000.00
564	01-3-3	Defense related projects	19,940.00	19,940.00	19,940.00
Total Basic Purpose 01			34,230,001.00	35,864,416.00	35,864,416.00

Article 5 (continued)

1	2	3	4	5	6
		Total Title 4			
		TOTAL SECTION 21 (Items 480 through 564)	34,230,001.00	35,864,416.00	35,864,416.00
		SECTION 22. FEDERAL COMMITTEE FOR LABOR, HEALTH AND SOCIAL WELFARE	1,176,127,999.00	1,329,355,423.00	1,312,928,865.34
		Title 1. The Committee			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
565	01-1-1	Funds for personal incomes of personnel	53,838,000.00	71,459,877.00	71,459,877.00
566	01-2	Funds for material costs	1,096,700.00	1,856,700.00	1,856,700.00
567	01-3-1	Funds for personal incomes and other personal benefits of officials	572,278.00	737,386.00	737,386.00
568	01-3-2	Traveling expenses abroad	3,329,980.00	1,929,980.00	1,929,980.00
569	01-3-2	Traveling expenses in Yugoslavia	917,240.00	917,240.00	910,837.00
570	01-3-2	Traveling expenses of foreign specialists and their Yugoslav escorts, expenses related to meetings and negotiations with foreign delegations and diplomatic and other representation	984,039.00	584,039.00	584,039.00
571	01-3-2	Remuneration of members of standing specialized commissions	459,617.00	459,617.00	459,617.00

Article 5 (continued)

1	2	3	4	5	6
572	01-3-2	Costs of holding meetings of the committee and of its bodies for preparation of the health service for nationwide defense	598,200.00	398,200.00	398,200.00
573	01-3-2	Costs of issuing reports of the labor inspectorate and public health inspectorate	159,520.00	9,520.00	--
574	01-3-2	Membership dues in international organizations			
575	01-3-2	Certain projects in the field of the pharmaceutical service and medical supply of interest to the Federation which will be contracted out to appropriate specialized institutions	54,415,263.00	54,415,263.00	54,415,263.00
576	01-3-2	Purchase of and addition to equipment	947,150.00	447,150.00	447,150.00
577	01-3-2	Translation of materials from foreign languages	697,900.00	297,900.00	297,900.00
578	01-3-2	Purchase of specialized literature	99,700.00	700.00	--
579	01-3-2	Remuneration of parttime and nonstaff personnel	87,736.00	87,736.00	87,736.00
580	01-3-2	Compensation for overtime related to conduct of public health inspection at the border	1,296,100.00	1,696,100.00	1,696,100.00
581	01-3-2	Rental and maintenance of office space for border public health control	249,250.00	485,250.00	485,250.00
			797,600.00	947,600.00	937,600.00

Article 5 (continued)

1	2	3	4	5	6
582	01-3-2	Purchase of uniforms for border public health inspectors	175,472.00	175,472.00	175,000.00
583	01-3-2	Expenses of protecting the country against importation of infectious diseases			
584	01-3-2	Costs of analyzing medical drugs	2,991,000.00	8,991,000.00	8,491,000.00
585	01-3-2	Expenses related to conducting public health control at the border	448,650.00	448,650.00	448,650.00
586	01-3-2	Costs of medical treatment of foreign nationals in Yugoslavia	1,694,900.00	2,094,900.00	2,094,900.00
587	01-3-2	Protection against ionizing radiations	571,281.00	571,281.00	571,281.00
588	01-3-2	Material support and housing of refugees	149,550.00	149,550.00	149,550.00
589	01-3-2	Certain projects in the field of health care which have a direct bearing on performance of the functions of the Federal Bureau for Health Care	7,280,094.00	5,280,094.00	5,280,094.00
590	01-3-2	Costs of monitoring the level of pollution of international and interpublic waters	17,946,000.00	17,946,000.00	17,946,000.00
			1,096,700.00	1,096,700.00	1,096,700.00

Article 5 (continued)

1	2	3	4	5	6
591	01-3-2	Operating expenses of the interdepartmental working group for coordinating the effort of federal bodies and agencies to carry out the decision of the United Nations World Conference of International Women's Year	997,000.00	997,000.00	997,000.00
592	01-3-2	Yugoslavia's obligation as a member of the World Health Organization	99,700.00	99,700.00	50,000.00
593	01-3-2	Costs of preparing the Yugoslav Pharmacopoeia	1,196,400.00	1,196,400.00	1,196,400.00
594	01-3-2	Costs of preparing health regulations on food and articles for personal hygiene	997,000.00	--	--
595	01-3-3	Financing activity directed toward Yugoslavs working abroad	9,970,000.00	12,970,000.00	12,970,000.00
596	01-3-3	Funds for the May Day prizes	1,994,000.00	1,994,000.00	1,994,000.00
597	01-3-3	Defense-related projects	179,460.00	179,460.00	179,460.00
Total Basic Purpose 01			168,333,480.00	190,920,465.00	190,343,670.00
Total Title 1			168,333,480.00	190,920,465.00	190,343,670.00

Article 5 (continued)

1	2	3	4	5	6
		Title 2. Federal Bureau for Employment Security			
		Basic Purpose 01--Funds for Operation of Adminis- trative Agencies			
598	01-1-1	Funds for personal incomes of personnel	19,765,525.00	25,761,260.00	25,761,260.00
599	01-2	Funds for material costs	2,093,700.00	2,597,700.00	2,462,948.30
600	01-3-2	Material costs of standing Yugoslav-foreign commis- sions	907,270.00	907,270.00	417,702.55
601	01-3-2	Compensation of social workers for separation from family while abroad and costs of sending those personnel abroad	6,979,000.00	2,715,000.00	2,252,712.80
602	01-3-2	Expenses of printing and publishing bulletins and reports	560,314.00	360,314.00	268,529.90
603	01-3-2	Official travel in Yugo- slavia	1,395,800.00	1,195,800.00	406,753.05
604	01-3-2	Compensation for overtime and nighttime work	19,940.00	--	--
605	01-3-2	Traveling expenses abroad	1,994,000.00	1,694,000.00	333,467.55
606	01-3-2	Purchase of specialized literature	99,700.00	99,700.00	62,753.30
607	01-3-2	Purchase of and addition to equipment	299,100.00	--	--
608	01-3-2	Education and upbringing of the children of Yugo- slav citizens employed abroad temporarily	1,744,750.00	1,244,750.00	212,366.50

Article 5 (continued)

1	2	3	4	5	6
609	01-3-3	Defense-related projects	79,760.00	79,760.00	1,750.00
		Total Basic Purpose 01	35,938,859.00	36,655,554.00	32,180,243.95
		Total Title 2	35,938,859.00	36,655,554.00	32,180,243.95
		TOTAL SECTION 22 (Items 565 through 609)	204,272,339.00	227,576,019.00	222,523,913.95
SECTION 23. FEDERAL COMMITTEE FOR VETERANS' AFFAIRS AND AFFAIRS OF DISABLED MILITARY PERSONNEL					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
610	01-1-1	Funds for personal incomes of personnel	5,968,042.00	7,738,746.00	7,378,746.00
611	01-2	Funds for material costs	308,800.00	488,800.00	462,800.00
612	01-3-1	Funds for personal incomes and other personal benefits of officials	2,121,616.00	2,681,739.00	2,681,739.00
613	01-3-2	Traveling expenses abroad	214,355.00	24,355.00	24,355.00
614	01-3-2	Traveling expenses in Yugoslavia	148,550.00	98,550.00	98,550.00
615	01-3-2	Translation of disability and other documents and materials from foreign languages	42,871.00	12,871.00	12,000.00
616	01-3-2	Costs of holding meetings of the committee	97,700.00	97,700.00	97,700.00

Article 5 (continued)

1	2	3	4	5	6
617	01-3-3	Care for graves and ceme- teries of Yugoslavia's fighting men	2,941,150.00	1,441,150.00	1,441,150.00
		Total Basic Purpose 01	11,933,084.00	12,583,911.00	12,557,040.00
		Basic Purpose 05--Obliga- tions To Finance Social Services			
618	05-9	Funds for preferential pensions (not including military pensions) pursu- ant to the provisions of the Law on Obligations of the Federation for Veter- ans' Pensions	20,437,282,400.00	19,337,282,400.00	19,337,282,400.00
619	05-11	Funds for disability bene- fits of disabled military personnel	5,408,824,700.00	6,439,275,065.95	6,439,275,065.95
620	05-11	Funds for health care of disabled military person- nel	1,268,283,700.00	1,488,898,703.05	1,488,898,703.05
621	05-11	Funds for the war veter- an's supplement	133,797,400.00	24,575,046.55	24,575,046.65
622	05-11	Compensation of holders of the "1941 Partizan Com- memorative Medal" and other decorations	373,177,100.00	377,896,215.15	377,896,215.15
623	05-11	Disability benefits of re- cipients abroad	43,967,700.00	47,255,569.20	47,255,569.20

Article 5 (continued)

1	2	3	4	5	6
624	05-11	Costs of transferring payments and records on those who qualify for the basic rights in the republics and provinces	49,850,000.00	--	--
		Total Basic Purpose 05	27,715,183,000.00	27,715,183,000.00	27,715,183,000.00
		TOTAL SECTION 23 (Items 610 through 624)	27,727,116,084.00	27,727,766,911.00	27,727,740,000.00
		SECTION 24. FEDERAL COMMITTEE FOR LEGISLATION			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
625	01-1-1	Funds for personal incomes of personnel	14,511,335.00	19,048,736.00	19,048,736.00
626	01-2	Funds for material costs	398,800.00	998,800.00	998,800.00
627	01-3-1	Funds for personal incomes and other personal benefits of officials	503,485.00	1,236,016.00	1,236,016.00
628	01-3-2	Compensation for separation from family	169,490.00	90,000.00	90,000.00
629	01-3-2	Traveling expenses in Yugoslavia of members of the committee and its bodies	598,200.00	248,200.00	248,200.00
630	01-3-2	Public relations	24,925.00	24,925.00	24,925.00
631	01-3-2	Remuneration of nonstaff personnel	199,400.00	49,400.00	40,000.00
632	01-3-2	CEMA Commission for Legal Affairs	398,800.00	800.00	--

Article 5 (continued)

1	2	3	4	5	6
		Total Basic Purpose 01	16,804,435.00	21,696,877.00	21,685,877.00
		TOTAL SECTION 24 (Items 625 through 632)	16,804,435.00	21,696,877.00	21,685,877.00
		SECTION 25. FEDERAL CUSTOMS ADMINISTRATION			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
633	01-1-1	Funds for personal incomes of personnel	1,317,604,293.00	1,770,554,153.00	1,770,554,153.00
634	01-2	Funds for material costs of the Federal Customs Administration	14,456,500.00	19,066,500.00	19,028,518.95
635	01-2	Funds for material costs of customhouses	108,673,000.00	145,973,000.00	145,951,312.55
636	01-3-1	Funds for personal incomes and other personal benefits of officials	1,389,818.00	1,810,924.00	1,434,860.75
637	01-3-2	Rent	14,257,100.00	12,617,100.00	12,314,646.70
638	01-3-2	Reimbursement of loss under Articles 252, 283 and 356 of the Customs Law	498,500.00	78,500.00	--
639	01-3-2	Traveling expenses abroad	498,500.00	618,500.00	604,946.65
640	01-3-2	Compensation for work on customs clearance outside the town where the customhouse is located	2,113,640.00	1,713,640.00	1,558,932.20
641	01-3-2	Maintenance of buildings, loading platforms and other structures	2,941,150.00	2,941,150.00	2,138,871.20

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
642	01-3-2	Purchase of clothing and footwear	20,937,000.00	33,762,000.00	33,545,318.25
643	01-3-2	Membership dues in international organizations	1,595,200.00	2,545,200.00	2,394,958.40
644	01-3-2	Expenses of maintaining the Electronic Computer Center	22,332,800.00	26,332,800.00	26,329,192.45
645	01-3-2	Costs of preventing customs crimes and operation and maintenance of equipment	5,982,000.00	27,682,000.00	27,566,766.55
646	01-3-2	Expenses of the boarding school	1,645,050.00	1,345,050.00	1,343,486.45
647	01-3-2	Expenses for regular examinations of personnel	1,994,000.00	1,909,000.00	1,848,072.00
648	01-3-2	Costs of bonding personnel	1,994,000.00	1,824,000.00	1,808,255.50
649	01-3-2	Compensation for overtime work in customhouses	149,550.00	9,550.00	1,808,255.50
650	01-3-2	Rewards for detection of customs violations	1,495,500.00	2,495,500.00	2,488,914.70
651	01-3-3	Defense-related projects	1,994,000.00	2,294,000.00	2,287,579.65
Total Basic Purpose 01			<u>1,522,551,601.00</u>	<u>2,055,572,567.00</u>	<u>2,053,198,785.95</u>
TOTAL SECTION 25 (Items 633 through 651)			1,522,551,601.00	2,055,572,567.00	2,053,198,785.95

Article 5 (continued)

1	2	3	4	5	6
		SECTION 26. FEDERAL BUREAU FOR SOCIAL PLANNING			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
652	01-1-1	Funds for personal incomes of personnel	46,117,232.00	62,868,141.00	62,818,904.00
653	01-2	Funds for material costs	5,982,000.00	5,982,000.00	5,982,000.00
654	01-3-1	Funds for personal incomes and other personal benefits of officials	1,190,418.00	1,531,101.00	1,529,582.00
655	01-3-2	Traveling expenses abroad	498,500.00	50,500.00	46,602.60
656	01-3-2	Periodicals and other publications	498,500.00	--	--
657	01-3-2	Remuneration of nonstaff personnel and costs of conducting surveys	498,500.00	300,000.00	283,738.00
658	01-3-2	Purchase of and addition to equipment	1,794,600.00	80,000.00	77,278.20
659	01-3-2	Compensation for overtime	598,200.00	598,200.00	597,356.00
660	01-3-2	Preparation of expert analyses and other documents	498,500.00	--	--
661	01-3-2	Specialized consultations and conferences	498,500.00	498,500.00	491,409.00
662	01-3-2	Publication of the bulletin PRIVREDNA KRETANJA U SVIJETU I NJIHOV UTJECAJ NA PRIVREDU JUGOSLAVIJE [WORLD ECONOMIC DEVELOPMENTS AND THEIR IMPACT ON THE YUGOSLAV ECONOMY]	4,028,877.00	3,528,877.00	3,528,877.00

Article 5 (continued)

1	2	3	4	5	6
663	01-3-2	Methodological research	3,398,773.00	2,398,773.00	2,398,773.00
664	01-3-3	Defense-related projects	199,400.00	100,000.00	99,045.70
		Total Basic Purpose 01	65,802,000.00	77,936,092.00	77,853,565.50
		TOTAL SECTION 26 (Items 652 through 664)	65,802,000.00	77,936,092.00	77,853,565.50
		SECTION 27. FEDERAL COMMUNITY FOR PRICE AFFAIRS			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
665	01-1-1-1	Funds for personal incomes of personnel	11,472,479.00	18,417,585.00	18,319,706.00
666	01-2	Funds for material costs	1,196,400.00	1,454,071.00	1,452,862.30
667	01-3-1	Funds for personal incomes and other personal benefits of officials	3,694,882.00	4,906,685.00	4,825,816.00
668	01-3-2	Costs of printing publications	59,820.00	--	--
669	01-3-2	Compensation for overtime	182,451.00	149,630.00	149,630.00
670	01-3-2	Purchase of equipment	164,505.00	--	--
671	01-3-2	Expenses of holding meetings of the council of the committee	1,794,000.00	2,031,947.00	2,030,118.40
672	01-3-2	Expenses of specialized collaboration with the organs of price committees of the republics and provinces	119,640.00	41,288.00	41,288.00

Article 5 (continued)

1	2	3	4	5	6
673	01-3-2	Expenses of preparing material for the drafting of upcoming sublegal enactments	79,760.00	--	--
674	01-3-2	Traveling expenses abroad	79,760.00	--	--
675	01-3-2	Translation into the languages of the nationalities and ethnic minorities	29,910.00	--	--
676	01-3-3	Defense-related projects	49,850.00	--	--
Total Basic Purpose 01			18,924,057.00	27,001,206.00	26,819,420.70
TOTAL SECTION 27 (Items 665 through 676)			18,924,057.00	27,001,206.00	26,819,420.70
SECTION 28. FEDERAL BUREAU OF STATISTICS					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
677	01-1-1	Funds for personal incomes of personnel	126,020,800.00	168,615,800.00	168,615,800.00
678	01-2	Funds for material costs	11,993,910.00	14,493,910.00	14,298,107.25
679	01-3-1	Funds for personal incomes and other personal benefits of officials	2,210,349.00	2,536,567.00	2,536,567.00
680	01-3-2	Fire prevention and workplace health and safety	135,592.00	135,592.00	133,164.85
681	01-3-2	Traveling expenses abroad	598,200.00	598,200.00	596,192.75
682	01-3-2	Membership dues in international organizations	15,952.00	15,952.00	--

Article 5 (continued)

1	2	3	4	5	6
683	01-3-2	Costs of statistical surveys	6,480,500.00	6,480,500.00	6,355,069.20
684	01-3-2	Expenses of the Automatic Data Processing Center	5,284,100.00	6,284,100.00	6,277,869.60
685	01-3-2	Leasing of machines for automatic data processing	3,389,800.00	389,800.00	389,559.25
686	01-3-2	Expenses of publishing activity	6,979,000.00	6,979,000.00	5,952,075.10
687	01-3-2	Maintenance of buildings and furnishings	548,350.00	548,350.00	538,769.15
688	01-3-2	Rent	4,985,000.00	4,985,000.00	4,978,260.00
689	01-3-2	Expenses of specialized personnel development	997,000.00	997,000.00	550,993.00
690	01-3-2	Compensation for overtime	797,600.00	297,600.00	42,030.55
691	01-3-3	Costs of the census of the population, households and housing	64,904,700.00	24,904,700.00	24,904,700.00
692	01-3-3	Defense-related projects	184,445.00	184,445.00	130,359.85
		Total Basic Purpose 01	235,525,298.00	238,446,516.00	236,299,517.55
		TOTAL SECTION 28 (Items 677 through 692)	235,525,298.00	238,446,516.00	236,299,517.55

Article 5 (continued)

1	2	3	4	5	6
		SECTION 29. FEDERAL BUREAU FOR INTERNATIONAL SCIENTIFIC, EDUCATIONAL AND CULTURAL, AND TECHNICAL COOPERATION			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
693	01-1-1	Funds for personal incomes of personnel	29,939,910.00	36,769,969.00	36,762,969.00
694	01-2	Funds for material costs	2,492,500.00	3,492,500.00	3,441,955.10
695	01-3-1	Funds for personal incomes and other personal benefits of officials	1,134,586.00	848,916.00	804,603.65
696	01-3-2	Compensation for separation from family	167,496.00	190,496.00	181,633.00
697	01-3-2	Addition to and replacement of equipment	498,500.00	100,000.00	18,780.45
698	01-3-2	Membership dues in international organizations			
699	01-3-2	Contribution to the UN Mission in Yugoslavia	125,622,000.00	138,242,000.00	138,241,901.80
700	01-3-3	Costs of regular formal schooling, specialization and study trips of foreign nationals in Yugoslavia	7,976,000.00	7,976,000.00	7,976,000.00
			59,820,000.00	62,400,170.00	62,314,440.20

Article 5 (continued)

1	2	3	4	5	6
701	01-3-3	Costs of preparing for the departure of specialists, participation in the salaries of Yugoslav specialists and aid in organizing the Center for Training Personnel in the Developing Countries	44,865,000.00	19,500,000.00	19,402,502.10
702	01-3-3	Preparation of studies, expert evaluations, technical documentation, and publications; international seminars, special courses for the developing countries; and filmmaking	4,536,350.00	3,536,350.00	3,481,152.15
703	01-3-3	Cultural and educational cooperation with the developing countries	10,967,000.00	8,525,830.00	8,502,554.20
704	01-3-3	International seminar "The Universality Today"--participation of representatives from the developing countries	149,550.00	149,550.00	149,550.00
705	01-3-3	International negotiations and meetings of joint commissions, traveling expenses in Yugoslavia and abroad	4,985,000.00	2,985,000.00	2,792,828.95
706	01-3-3	Translation and copying of detailed studies, reports, analyses and other material	658,020.00	358,020.00	310,683.90

Article 5 (continued)

1	2	3	4	5	6
707	01-3-3	Compensation for health services rendered to the personnel of the UN Mission in Yugoslavia	49,850.00	20,000.00	1,248.70
708	01-3-3	Compensation for certain functions in the jurisdiction of the Federation performed by the Yugoslav Institute of Bibliography	1,246,250.00	1,246,250.00	1,246,250.00
709	01-3-3	Information activity	2,492,500.00	1,872,500.00	1,740,167.85
710	01-3-3	Center for guidance and organization of cooperation among the nonaligned countries in the fields of science and technology	4,985,000.00	3,485,000.00	3,338,311.25
711	01-3-3	Defense-related projects	59,820.00	40,000.00	25,238.50
Total Basic Purpose 01			302,645,332.00	291,738,551.00	290,732,770.80
TOTAL SECTION 29 (Items 698 through 711)			302,645,332.00	291,738,551.00	290,732,770.80
SECTION 30. FEDERAL BUREAU OF HYDROMETEOROLOGY					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
712	01-1-1	Funds for personal incomes of personnel	106,048,896.00	133,337,395.00	133,337,395.00
713	01-2	Funds for material costs	7,976,000.00	10,243,217.00	10,197,118.05
714	01-3-2	Compensation for work on Sunday, at night and on holidays	5,982,000.00	7,247,000.00	7,235,744.00

Article 5 (continued)

1	2	3	4	5	6
715	01-3-2	Compensation of Radio Belgrade for broadcasting the reports of water levels on the Danube	2,991,000.00	1,983,750.00	1,983,750.00
716	01-3-2	Expenses of telecommunication links			
717	01-3-2	Traveling expenses abroad	8,973,000.00	11,232,600.00	10,951,473.65
718	01-3-2	Membership dues in international organizations	348,950.00	316,300.00	315,918.85
719	01-3-2	Addition to equipment	19,940,000.00	9,640,000.00	8,373,758.80
720	01-3-2	Printing the yearbook of the Climate Atlas and other specialized publications	498,500.00	110,000.00	108,964.55
721	01-3-2	Financing the Program of Meteorological and Hydrological Observations and Measurements To Define the Influence of Water Storage	2,492,500.00	3,123,000.00	3,122,697.20
722	01-3-2	Maintenance of buildings and furnishings	2,492,500.00	1,892,500.00	1,889,663.00
723	01-3-2	Traveling expenses in Yugoslavia	4,486,500.00	4,286,500.00	4,250,950.55
724	01-3-2	Purchase of clothing and footwear	997,000.00	797,000.00	781,875.70
725	01-3-2	Maintenance of motor vehicles and fuel	997,000.00	900,000.00	899,620.00
726	01-3-2	Rent on office space	897,300.00	962,300.00	952,574.50
727	01-3-2	Expenses of formal education of hydrometeorological personnel	3,172,454.00	3,772,454.00	3,673,153.75
			498,500.00	108,500.00	99,697.00

Article 5 (continued)

1	2	3	4	5	6
728	01-3-2	Financing the program of Yugoslavia's participation in the Alps Experiment--Yugoslavia's partial share in the Alps Experiment for 1982	9,970,000.00	9,305,000.00	9,301,770.30
729	01-3-2	Financing the project Regional Development and Application of Components of the HOMS of the World Meteorological Organization--Yugoslavia's partial participation in 1982	1,495,500.00	995,500.00	973,554.20
730	01-3-2	Financing the program for continuous monitoring and estimation of pollutant transport in the atmosphere (EMEP)	1,994,000.00	687,500.00	686,983.55
731	01-3-3	Defense-related projects	199,400.00	45,000.00	44,903.00
		Total Basic Purpose 01	82,451,000.00	200,985,516.00	199,181,565.65
		TOTAL SECTION 30 (Items 712 through 731)	182,451,000.00	200,985,516.00	199,181,565.65
		SECTION 31. FEDERAL BUREAU FOR STANDARDS			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
732	01-1-1	Funds for personal incomes of personnel	37,536,053.00	46,408,029.00	46,408,029.00

Article 5 (continued)

1	2	3	4	5	6
733	01-2	Funds for material costs			
734	01-3-2	Costs of drafting and distributing Yugoslav standards and technical specifications	2,743,250.00	3,643,250.00	3,643,250.00
735	01-3-2	Translation of Yugoslav standards into the languages of the nationalities and ethnic minorities of Yugoslavia	7,976,000.00	8,506,000.00	8,439,139.05
736	01-3-2	Membership dues in international organizations	3,988,000.00	3,288,000.00	3,288,000.00
737	01-3-2	Purchase of equipment related to translation of Yugoslav standards	3,585,212.00	3,585,212.00	3,585,212.00
738	01-3-2	Expenses of the Commission for Standardization of Motor Vehicle Makes and Models	797,600.00	3,797,600.00	3,797,600.00
739	01-3-2	Costs of drafting regulations governing construction, repair and rehabilitation of projects in seismically active zones	2,991,000.00	1,921,000.00	1,920,000.00
740	01-3-2	Costs of dimensional coordination in construction	1,595,200.00	575,200.00	484,000.00
741	01-3-2	Costs of administering the certification system	997,000.00	347,000.00	347,000.00
742	01-3-3	Defense-related projects	2,991,000.00	1,551,000.00	1,551,000.00
			99,700.00	49,700.00	1,233.85
		Total Basic Purpose 01	64,800,015.00	73,671,991.00	73,464,463.90
		TOTAL SECTION 31 (Items 732 through 742)	64,800,015.00	73,671,991.00	73,464,463.90

Article 5 (continued)

1	2	3	4	5	6
		SECTION 32. FEDERAL BUREAU OF PATENTS			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
743	01-1-1	Funds for personal incomes of personnel			
744	01-2	Funds for material costs	30,432,428.00	39,876,643.00	39,876,643.00
745	01-3-1	Funds for personal incomes and other personal benefits of officials	2,464,584.00	2,765,374.00	2,674,129.35
746	01-3-2	Costs of printing patent papers and documentation	1,556,317.00	1,990,174.00	1,974,810.00
747	01-3-2	Traveling expenses abroad	2,442,650.00	3,212,650.00	3,210,775.90
748	01-3-2	Purchase of and addition to equipment	498,500.00	270,000.00	251,068.00
749	01-3-2	Printing the patent herald	2,941,150.00	1,850,640.00	1,850,640.00
750	01-3-2	Preparation of forms and materials for copying	1,296,100.00	979,800.00	979,800.00
751	01-3-2	Receipt and shipment of patent documentation	398,800.00	748,800.00	741,951.35
752	01-3-2	Expenses of publishing activity	338,980.00	279,120.00	219,883.10
753	01-3-2	Expenses of the information system of the Federal Bureau of Patents	39,880.00	--	--
754	01-3-2	Expenses of the Council of the Federal Bureau of Patents	1,774,750.00	1,744,750.00	1,728,135.70
755	01-3-2	Maintenance and servicing of equipment	149,550.00	50,000.00	30,545.60
			299,100.00	100,000.00	95,124.10

Article 5 (continued)

1	2	3	4	5	6
756	01-3-2	Purchase of specialized literature	398,800.00	448,800.00	448,501.00
757	01-3-2	Translation of international patent documentation and classification	39,880.00	--	--
758	01-3-2	Expenses of the Federal Coordinating Committee for Innovation	393,815.00	207,985.00	207,985.00
759	01-3-3	Defense-related projects	39,880.00	10,000.00	3,610.00
		Total Basic Purpose 01	45,475,164.00	54,534,736.00	54,293,602.10
		TOTAL SECTION 32 (Items 743 through 759)	45,475,164.00	54,534,736.00	54,293,602.10
		SECTION 33. FEDERAL BUREAU FOR WEIGHTS AND STANDARDS AND PRECIOUS METALS			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
760	01-1-1	Funds for personal incomes of personnel	96,542,501.00	129,197,699.00	129,197,699.00
761	01-2	Funds for material costs	7,477,500.00	7,577,500.00	7,577,500.00
762	01-3-1	Funds for personal incomes and other personal benefits of officials	1,342,959.00	1,585,725.00	1,533,435.00
763	01-3-2	Rent	997,000.00	997,000.00	997,000.00
764	01-3-2	Purchase of punches and small stock items	3,050,820.00	2,000,820.00	1,908,548.35
765	01-3-2	Costs of staff development	598,200.00	498,200.00	440,723.20

Article 5 (continued)

1	2	3	4	5	6
766	01-3-2	Membership dues in international organizations	1,004,976.00	1,054,976.00	1,054,976.00
767	01-3-2	Traveling expenses in Yugoslavia	18,693,750.00	11,200,149.00	10,455,809.60
768	01-3-2	Traveling expenses abroad	99,700.00	299,700.00	292,029.75
769	01-3-2	Expenses of international cooperation	34,895.00	34,895.00	13,197.40
770	01-3-2	Costs of issuing publications	1,395,800.00	995,800.00	963,822.50
771	01-3-2	Costs of current building maintenance	7,477,500.00	1,150,000.00	1,150,000.00
772	01-3-2	Expenses of telecommunication links	398,800.00	48,800.00	48,800.00
773	01-3-2	Drafting of specialized technical specifications, sublegal acts and instructions in metrology	299,100.00	149,100.00	82,412.50
774	01-3-1	Operating expenses of the council and working bodies for coordination of work and achievement of cooperation in metrology	249,250.00	149,250.00	87,606.00
775	01-3-2	Expenses of maintaining trucks	1,994,000.00	1,994,000.00	1,994,000.00
776	01-3-2	Public relations	19,940.00	19,940.00	15,048.60
777	01-3-2	Purchase of safety clothing and footwear	498,500.00	298,500.00	163,121.05
778	01-3-2	Purchase of specialized publications and literature	299,100.00	299,100.00	281,692.55
779	01-3-2	Calculator data processing	348,950.00	148,950.00	101,040.00

Article 5 (continued)

1	2	3	4	5	6
780	01-3-2	Costs of translation into the languages of the nationalities and ethnic minorities of Yugoslavia and into and from foreign languages	398,800.00	--	--
781	01-3-2	Expenses of printing forms--Involved in realization of income	1,994,000.00	1,694,000.00	1,686,513.00
782	01-3-2	Costs of information activity	149,550.00	149,550.00	109,544.55
783	01-3-2	Purchase of spare parts and technical supplies	997,000.00	747,000.00	747,000.00
784	01-3-2	Addition to and replacement of equipment	2,991,000.00	12,925,800.00	12,904,563.95
785	01-3-3	Defense-related projects	299,100.00	159,100.00	143,143.15
		Total Basic Purpose 01	149,652,691.00	175,375,554.00	173,949,226.15
		TOTAL SECTION 33 (Items 760 through 785)	149,652,691.00	175,375,554.00	173,949,226.15
SECTION 34. FEDERAL BUREAU OF GEOLOGY					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
786	01-1-1	Funds for personal incomes of personnel	5,138,538.00	6,575,862.00	6,575,862.00
787	01-2	Funds for material costs	623,125.00	754,989.00	716,156.95
788	01-3-2	Costs of the standing delegation for cooperation with CEMA in geology	548,350.00	548,350.00	546,953.35

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
789	01-3-2	Costs of the Yugoslav Committee for the International Program of Geological Correlation			
790	01-3-2	Preparation and printing of the multipurpose geological map of Yugoslavia	697,900.00	655,200.00	590,677.05
791	01-3-2	Expenses of the Commission for the Multipurpose Geological Map of Yugoslavia	7,976,000.00	7,976,000.00	7,976,139.95
792	01-3-2	Purchase of equipment	119,640.00	119,640.00	34,219.00
793	01-3-2	Costs of compiling the balance of mineral resources and subsurface water of the SFYU and preparation of the analysis of the SFYU's raw materials base	237,286.00	--	--
794	01-3-2	Keeping and maintaining the bank of specialized documentation on the results of geological explorations	897,300.00	850,000.00	621,928.00
Total Basic Purpose 01			<u>51,844.00</u>	<u>51,844.00</u>	<u>15,300.65</u>
TOTAL SECTION 34 (Items 786 through 794)			<u>16,289,983.00</u>	<u>17,531,885.00</u>	<u>17,068,236.95</u>
			16,289,983.00	17,531,885.00	17,068,236.95

Article 5 (continued)

1	2	3	4	5	6
SECTION 35. YUGOSLAV ARCHIVES					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
795	01-1-1	Funds for personal incomes of personnel	20,370,704.00	27,789,308.00	27,789,308.00
796	01-2	Funds for material costs	3,988,000.00	5,024,466.00	4,387,436.00
797	01-3-2	Compensation for separation from family	59,820.00	60,000.00	60,000.00
798	01-3-2	Compensation for overtime	951,138.00	--	--
799	01-3-2	Public relations	59,820.00	59,820.00	32,484.20
800	01-3-2	Costs of protecting archive materials in case of war	697,900.00	697,900.00	404,743.45
801	01-3-2	Membership dues in the international fund for development of archives	5,982.00	61,644.00	61,643.40
802	01-3-2	Costs of maintaining the building and furnishings	179,460.00	179,460.00	176,296.65
803	01-3-2	Traveling expenses abroad	348,950.00	348,950.00	224,364.55
804	01-3-2	Costs of designing the project	797,600.00	797,600.00	--
805	01-3-2	Costs of publishing activity	1,196,400.00	1,196,400.00	1,194,989.65
Total Basic Purpose 01			28,655,774.00	36,215,548.00	34,331,265.90
TOTAL SECTION 35 (Items 795 through 805)			28,655,774.00	36,215,548.00	34,331,265.90

Article 3 (continued)

1	2	3	4	5	6
SECTION 36. DEPARTMENT FOR RENDERING SERVICES TO MEET THE NEEDS OF FEDERAL BODIES AND AGENCIES FOR PUBLIC RELATIONS					
Basic Purpose 01--Funds for Operation of Adminis- trative Agencies					
806	01-1-1	Funds for personal incomes of personnel			157,356,628.00
807	01-2	Funds for material costs	117,085,686.00	157,356,628.00	6,590,164.00
808	01-3-1	Funds for personal incomes and other personal bene- fits of officials	5,882,300.00	6,590,164.00	
809	01-3-2	Costs of maintaining structures and equipment	1,414,743.00	2,653,814.00	2,594,464.05
810	01-3-2	Costs of maintaining and improving the "Jelen" Hunting and Forest Pre- serve in Belgrade	94,715,000.00	140,128,242.00	137,411,628.75
811	01-3-2	Costs of maintaining and improving the "Kopriv- nica" Hunting and Forest Preserve in Bugojno	34,895,000.00	31,895,000.00	31,895,000.00
812	01-3-2	Compensation for overtime and work at night and re- muneration of nonstaff personnel	4,486,500.00	3,786,500.00	3,786,500.00
813	01-3-3	Defense-related projects	6,480,500.00	11,763,500.00	11,763,500.00
			1,994,000.00	600,000.00	474,467.70
		Total Basic Purpose 01	266,953,729.00	354,773,848.00	351,872,352.50

Article 3 (continued)

1	2	3	4	5	6
174	814	01-1-1	Funds for personal incomes of personnel	29,060,619.00	29,060,619.00
	815	01-2	Funds for material costs	2,558,898.00	2,558,898.00
	816	01-3-1	Funds for personal incomes and other personal benefits of officials	141,498.00	141,498.00
	817	01-3-2	Costs of franking the mail	496,881.00	496,881.00
	818	01-3-2	Spare parts for printing presses and production supplies	16,541.00	16,541.00
	819	01-3-2	Compensation for overtime and work at night	2,413,006.00	2,413,006.00
	820	01-3-2	Remuneration of nonstaff personnel	--	--
	821	01-3-2	Purchase of equipment	711,298.00	711,298.00
			Total Basic Purpose 01	35,398,741.00	35,398,741.00
			TOTAL SECTION 36 (Items 806 through 813)	354,773,848.00	351,872,352.50
			SECTION 37. DEPARTMENT FOR ADMINISTRATIVE AND ACCOUNTING FUNCTIONS OF FEDERAL ADMINISTRATIVE AGENCIES AND FEDERAL ORGANIZATIONS		
			Basic Purpose 01--Funds for Operation of Administrative Agencies		
			Funds for personal incomes of personnel	77,465,903.00	77,465,903.00
			Funds for material costs	12,961,000.00	12,961,000.00
			Funds for personal incomes and other personal benefits of officials	699,894.00	699,894.00
			Costs of franking the mail	2,791,600.00	2,791,600.00
			Spare parts for printing presses and production supplies	2,592,200.00	2,592,200.00
			Compensation for overtime and work at night	2,991,000.00	2,991,000.00
			Remuneration of nonstaff personnel	199,400.00	199,400.00
			Purchase of equipment	9,970,000.00	9,970,000.00
			Total Basic Purpose 01	109,670,997.00	109,670,997.00
			TOTAL SECTION 37 (Items 814 through 821)	35,398,741.00	35,398,741.00

Article 5 (continued)

1	2	3	4	5	6
SECTION 37A. DEPARTMENT FOR FINANCIAL TRANSACTIONS AND PHYSICAL INVENTORIES OF FEDERAL ADMINISTRATIVE AGENCIES AND FEDERAL ORGANIZATIONS					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
814A	01-1-1	Funds for personal incomes of personnel	--	32,492,987.00	32,492,987.00
815A	01-2	Funds for materials	--	4,347,208.00	4,347,208.00
816A	01-3-1	Funds for personal incomes and other personal benefits of officials	--	580,293.00	580,293.00
817A	01-3-2	Costs of franking the mail	--	--	--
818A	01-3-2	Spare parts for printing presses and production supplies	--	--	--
819A	01-3-2	Compensation for overtime and work at night	--	54,000.00	54,000.00
820A	01-3-2	Remuneration of nonstaff personnel	--	--	--
821A	01-3-2	Purchase of equipment	--	2,177,302.00	2,177,302.00
Total Basic Purpose 01			--	39,651,790.00	39,651,790.00
TOTAL SECTION 37A (Items 814A through 821A)			--	39,651,790.00	39,651,790.00

Article 5 (continued)

1	2	3	4	5	6
SECTION 37B. DEPARTMENT FOR OFFICE MACHINES OF FEDERAL ADMINISTRATIVE AGENCIES AND FEDERAL OR- GANIZATIONS					
Basic Purpose 01--Funds for Operation of Adminis- trative Agencies					
814B	01-1-1	Funds for personal incomes of personnel	--		
815B	01-2	Funds for material costs	--	50,289,173.00	50,289,173.00
816B	01-3-1	Funds for personal incomes and other personal bene- fits of officials	--	6,800,894.00	6,800,894.00
817B	01-3-2	Costs of franking the mail	--		
818B	01-3-2	Spare parts for printing presses and production supplies	--	507,372.00	507,372.00
819B	01-3-2	Compensation for overtime and work at night	--	2,294,719.00	2,294,719.00
820B	01-3-2	Remuneration of nonstaff personnel	--		
821B	01-3-2	Purchase of equipment	--	2,275,659.00	2,275,659.00
			--	3,277,994.00	3,277,994.00
			--	99,400.00	99,400.00
			--	5,281,400.00	5,281,400.00
		Total Basic Purpose 01	--	70,826,611.00	70,826,611.00
TOTAL SECTION 37B (Items 814B through 821B)					
			--	70,826,611.00	70,826,611.00
TOTAL SECTION 37. 37A AND 37B (Items 814 through 821, 814A through 821A, and 814B through 821B)					
			109,670,997.00	145,877,142.00	145,855,142.00

Article 5 (continued)

1	2	3	4	5	6
SECTION 38. ADMINISTRATION OF OFFICE BUILDINGS OF FEDERAL BODIES AND ORGANIZATIONS					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
822	01-1-1	Funds for personal incomes of personnel			
823	01-2	Funds for material costs	146,656,706.00	191,127,988.00	191,127,988.00
824	01-3-1	Funds for personal incomes and other personal benefits of officials	6,311,010.00	6,311,010.00	4,737,322.10
825	01-3-2	Overhead related to maintenance of buildings and equipment	971,078.00	1,077,954.00	1,006,876.00
826	01-3-2	Purchase of equipment and reconstruction	204,385,000.00	157,380,000.00	146,243,007.55
827	01-3-2	Insurance of building and equipment	95,213,500.00	81,816,500.00	79,524,677.40
828	01-3-2	Telephone expenses of joint switchboards	11,964,000.00	5,964,000.00	5,638,094.00
829	01-3-2	Compensation for overtime and work at night	9,970,000.00	16,970,000.00	12,866,329.25
830	01-3-2	Work clothes, footwear and equipment for workplace health and safety	3,988,000.00	3,988,000.00	3,968,818.00
831	01-3-2	Contributions for use of municipal land	4,137,550.00	3,899,550.00	2,540,607.30
832	01-3-2	Transportation services	9,970,000.00	9,700,000.00	8,417,303.15
833	01-3-2	Costs of establishing the special telephone link	5,982,000.00	5,982,000.00	4,015,674.05
			6,979,000.00	5,979,000.00	5,105,822.65

Article 5 (continued)

1	2	3	4	5	6
834	01-3-3	Defense-related projects	997,000.00	899,000.00	848,712.35
		Total Basic Purpose 01	507,524,844.00	491,095,002.00	466,041,231.80
		TOTAL SECTION 38 (Items 822 through 834)	507,524,844.00	491,095,002.00	466,041,231.80
		SECTION 39. GARAGE OF FEDERAL BODIES AND AGENCIES			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
835	01-1-1	Funds for personal incomes of personnel			
836	01-2	Funds for material costs	61,543,813.00	80,632,804.05	80,632,804.05
837	01-3-2	Compensation for overtime	3,108,646.00	1,608,646.00	1,310,657.30
838	01-3-2	Purchase of spare parts and expenditures for other purposes	7,976,000.00	15,976,000.00	15,976,000.00
839	01-3-2	Purchase of equipment and automobiles	43,868,000.00	42,868,000.00	40,814,135.55
840	01-3-2	Purchase of tools and pieces of equipment	7,976,000.00	3,676,000.00	3,413,440.05
841	01-3-3	Purchase of vehicles for national defense purposes	1,096,700.00	--	--
			15,952,000.00	10,952,000.00	6,426,164.55
		Total Basic Purpose 01	141,521,159.00	155,713,450.05	148,573,101.50
		TOTAL SECTION 39 (Items 835 through 841)	141,521,159.00	155,713,450.05	148,573,101.50

Article 5 (continued)

1	2	3	4	5	6
SECTION 40. DEPARTMENT FOR TRANSLATION					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
842	01-1-1	Funds for personal incomes of personnel	53,369,410.00	69,238,614.00	69,238,614.00
843	01-2	Funds for material costs	4,187,400.00	4,187,400.00	4,187,400.00
844	01-3-1	Funds for personal incomes and other personal benefits of officials	526,416.00	671,035.00	671,035.00
845	01-3-2	Compensation for overtime and work at night	2,991,000.00	2,991,000.00	2,991,000.00
846	01-3-2	Remuneration of nonstaff personnel	2,991,000.00	1,991,000.00	1,991,000.00
847	01-3-2	Compensation for separation from family	1,296,100.00	1,296,100.00	1,296,100.00
848	01-3-2	Traveling expenses abroad	658,020.00	158,020.00	100,000.00
849	01-3-2	Specialized training, specialization of translators in foreign languages	598,200.00	98,200.00	28,200.00
850	01-3-2	Purchase of and addition to equipment	2,991,000.00	3,991,000.00	3,991,000.00
851	01-3-2	Funds to "build up" the bank of terms	997,000.00	697,000.00	100,000.00
852	01-3-3	Defense-related projects	99,700.00	60,700.00	10,000.00
Total Basic Purpose 01			70,705,246.00	85,380,069.00	84,604,349.00
TOTAL SECTION 40 (Items 842 through 852)			70,705,246.00	85,380,069.00	84,604,349.00

Article 5 (continued)

1	2	3	4	5	6
		SECTION 41. ADMINISTRATION OF BRIONI ISLANDS			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
853	01-1-1	Funds for personal incomes of personnel			
854	01-2	Funds for material costs	44,201,995.00	55,092,529.00	55,092,529.00
855	01-3-2	Compensation of personnel	27,649,801.00	27,649,801.00	27,649,801.00
		Incomes of seasonal personnel and nonstaff personnel			
856	01-3-2	Compensation for overtime	11,204,286.00	10,604,286.00	10,604,286.00
857	01-3-2	Costs of maintaining structures and equipment	1,512,449.00	900,000.00	900,000.00
858	01-3-2	Purchase of equipment and furnishings	38,883,000.00	39,483,000.00	39,483,000.00
			2,991,000.00	3,603,449.00	3,603,449.00
		Total Basic Purpose 01	126,442,531.00	137,333,065.00	137,333,065.00
		TOTAL SECTION 41 (Items 853 through 858)	126,442,531.00	137,333,065.00	137,333,065.00

Article 5 (continued)

1	2	3	4	5	6
SECTION 42. SUPPLEMENTAL FUNDS TO SOCIOLOGICAL AND PUBLIC ORGANIZATIONS					
Basic Purpose 06--Other General Public Purposes					
Sociopolitical Organizations					
Subsidies to the Central Committee of the League of Communists of Yugoslavia via					
859	06-2	International activity	11,964,000.00	8,823,000.00	8,823,000.00
860	06-2	Defense-related projects	1,794,600.00	1,321,000.00	1,321,000.00
861	06-2	Financing the program for scientific documentation pertaining to the international working class movement			
862	06-2	Newspaper KOMUNIST	4,985,000.00	4,385,000.00	4,385,000.00
863	06-2	Bulletin JUGOSLAVENSKI POLITICKI MJESECNIK	69,790,000.00	66,093,600.00	66,093,600.00
864	06-2	Program for financing publishing activities directed abroad	3,489,500.00	3,089,500.00	3,089,500.00
865	06-2	Financing the operation of the "Josip Broz Tito" Political School in Kumrovec	10,568,200.00	8,568,200.00	8,568,200.00
866	06-2	Publication of the Collected Works of Josip Broz Tito	19,940,000.00	16,940,000.00	16,940,000.00
			9,970,000.00	7,351,000.00	7,449,129.35

Article 5 (continued)

1	2	3	4	5	6
889	06-2	Missing persons service			
890	06-2	Membership in the League of the International Red Cross Committee	1,694,900.00	1,494,900.00	1,494,900.00
891	06-2	Defense-related projects	1,420,725.00	1,420,725.00	1,420,725.00
892	06-2	Red Cross youth rally	1,655,020.00	1,455,020.00	1,455,020.00
893	06-2	Center for training per- sonnel of the Red Cross and Red Crescent from the developing countries and nonaligned countries, as well as in those coun- tries	997,000.00	--	--
894	06-2	International humanitarian aid in cases of natural and other large-scale disasters	2,991,000.00	2,791,000.00	2,791,000.00
		Subsidy to the Yugoslav League for Peace, Inde- pendence and Equality of Nations	997,000.00	897,000.00	897,000.00
895	06-2	Financing the league's work program	2,991,600.00	2,591,600.00	2,591,600.00
		Subsidy to the Federation of United Nations Associ- ations of Yugoslavia			
896	06-2	Financing the federation's work program	647,450.00	747,450.00	747,450.00

Article 5 (continued)

1	2	3	4	5	6
		Subsidy to the Federation of Yugoslav Reserve Commissioned Military Officers of Yugoslavia			
897	06-2	Financing the federation's work program	10,368,800.00	9,568,800.00	9,568,800.00
898	06-2	Federal election conference in 1982	1,495,500.00	1,195,500.00	1,195,500.00
		Yugoslav Federation for Physical Fitness			
899	06-2	Expenses of Yugoslavia's international activities in the field of physical fitness	127,616,000.00	120,816,000.00	120,816,000.00
900	06-2	Extraordinary program of athletic events taking place only in 1982	20,508,200.00	28,908,200.00	28,908,200.00
		Popular Technology--Yugoslav Federation of Organizations for Popular Technical Education			
901	06-2	For Yugoslavia's international activities in the field of popular technical education	10,229,220.00	9,629,220.00	9,629,220.00
		Federation of Yugoslav Firefighters			
902	06-2	For fire prevention	1,111,655.00	1,011,655.00	1,011,655.00

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Article 5 (continued)

1	2	3	4	5	6
		Total Basic Purpose 06	748,947,000.00	704,203,000.00	694,547,566.40
		TOTAL SECTION 4.2 (Items 859 through 902)	748,947,000.00	704,203,000.00	694,547,566.40

Article 6

This final account shall be published in SLUŽBENI LIST SFRJ.

EMPLOYMENT DATA AS OF 1 APRIL 1983

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 18 Jul 83 p 31

[Text] The Federal Institute of Statistics announced that: at the end of March, a total of 6,020,000 workers were employed in the social sector, which is 1.9 percent more compared to March a year ago. There were 4,982,000 workers employed in economic [production] sector, which is 2.0 percent more, while in the noneconomic sector 1,038,000, or 1.8 percent above the level of the year before. According to the same source, the largest gain in employment was recorded in the mining and industrial sector (2.5 percent), so that these two branches employed a total of 2,342,800 workers. At the same time, the number of employed in the social sector of Bosnia-Hercegovina reached 903,700, in Montenegro 139,500, in Croatia 1,439,100, in Macedonia 460,400, in Slovenia 787,800, and in Serbia a total of 2,289,600 workers, of which number 191,100 are in Kosovo, 570,300 are in Vojvodina, and 1,528,200 are in the rest of Serbia.

The number of employed in the Yugoslav agriculture and fishing industries rose by 2.8 percent, in forestry 1.1 percent, in the transport and communication sector 1.2 percent, trade 2.2 percent, tourism and catering 3.3 percent, service industry 2.3 percent, housing and urban management 3.4 percent, banking and other financial services 3.4 percent, education and culture 1.3 percent, health and social welfare 3.2 percent, and socio-political associations 0.6 percent. Only in the building industry has the number of employed declined by 2.3 percent, compared with the figures from March of a year ago.

Small Scale Economy

The social product of the small scale economy last year reached 161.4 billion dinars, which is larger by 18 percent than in 1981. According to the data by the Federal Institute of Statistics, 69.1 billion dinars was realized by the social sector, and 92.3 by the private sector. When the years 1982 and 1981 are compared, the increase in the social sector was 11 percent, and in the private sector 25 percent. From the same comparison it is evident that the number of enterprises in the production sector of the small scale economy declined from 2,397 to 2,203, and the number of employed in that sector declined from 201,984 to 167,750.

The largest contribution to the Total Social Product (TSP) of the small scale economy was realized in the artisan sector (around 64.1 billion dinars), and

building industry (46.9 billion dinars), and then in the industrial sector (about 25.9 billion), in transport (approximately 13.4 billion) and catering (about 9.7 billion dinars), etc.

The volume of work is largest, in relation to value, in Croatia (with 44.7 billion dinars from both social and private sector), then in Slovenia (social product of 33.7 billion), then in Serbia, without provinces of Kosovo and Vojvodina (33 billion). Following are Bosnia-Herzegovina (18 billion in social product), Vojvodina (15.2 billion), and Macedonia (10.7 billion), while at the end are Montenegro (2.7 billion) and Kosovo (3.2 billion dinars).

In the nonproduction sector of the small scale economy (artisan services, housing and urban services, education and culture, health and social welfare), the social product reached 6.5 billion dinars. According to the Federal Institute of Statistics, the social product grew by 158 percent, compared with 1981. However, since the data for education and culture, as well as for health and social services, were not taken in 1980, this number is not important. But, according to the data for the artisan sector and housing and urban services, it could be concluded that the work volume in the nonproduction sector of the small scale economy, has slightly increased, because the number of employed has increased, in spite of the decline in the number of employing enterprises.

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13 OCT. 1983